

INSIDE: THE DEADLY LEGACY OF POISON WASTES

Maclean's

MAY 26, 1986

CANADA'S WEEKLY NEWSMAGAZINE

\$1.75

UNDER FIRE—AGAIN



Robert Coates, Defence;
resigned Feb. 12, 1985



John Fraser, Fisheries;
resigned Sept. 23, 1985



Sinclair Stevens, Industry;
resigned May 12, 1986



**Suzanne Blais-Grenier, Minister
of State;** resigned Dec. 31, 1985



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ROYAL BANK

CANADA'S WEEKLY NEWSMAGAZINE

Maclean's

MAY 26, 1984 VOL. 10 NO. 22

COVER

Mulroney Under Fire — Again

Prime Minister Brian Mulroney returned home from Asia last week to a government rocked by disturbing questions about its political competence. Industry Minister Jacques St-Onge resigned pending conflict-of-interest charges, a Quebec Tory set left the party and another was charged with bribery and fraud. —Page 20

COVER PHOTO: FRANK MULLIGAN / GLOBE PHOTODISC LTD.
BY JOHN A. COHEN — GLOBE PHOTODISC



Canada's tarnished image

Conflict-of-interest charges over former White House aide Michael Osemer's lobbying activities for Canada have damaged his reputation—and Canada's. —Page 20



A loving role

Genevieve Buzell says she likes working with Alan Rudolph because his films remind her of those she made in Canada with ex-husband Paul Almond. —Page 25



In deadly places

A controversial and controversial scientist sounds the alarm over Canada's "number 1 environmental problem"—dangerous accumulations of toxic waste. —Page 22



The backbenchers' crusade

A powerful House of Commons Finance committee which is investigating economic poverty in Canada is prepared to redraw the country's corporate constraints. —Page 22

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Terrorism's roots

Regarding your April 26 editorial ("A lesson long overdue"), the lesson is that we must stop treating our complex world with simplistic analysis. Terrorism cannot be subdued by a greater terrorism through retaliation. The roots of terrorism are poverty, disease and malnutrition. It is the cruellest of human beings, who desire the basic necessities of life, that creates terrorist attacks on the awesome political and economic powers which are keeping humans locked in the circle of poverty. Terrorism is war on a small scale. —AL ROYAL, Chathambridge, Scot.

Your editorial comments neatly summarize the U.S. attack on Libya. While you discuss other options, the blunt instrument of military intervention is surely the least effective of many tools in the U.S. kit. Security around airports and other potential targets can still be improved. Modernist Arab states might have assisted in further isolating Moammar Khadafi's regime both politically and commercially. With patience, President Reagan might have allowed phony oiling of revenues to loosen Khadafi's grip on power and his capacity to support terrorism abroad.

—J. GALT WILSON
Princeton, N.J.

Your editorial on terrorism somewhat overlooks the fact that there would not be this particular brand of terrorism in the Middle East if the Palestinian had not been driven out of their land in 1948. If there had been one powerful Arab



Khadafi, rescues from an attack

state at that time, we would have been saved 26 years of corroding hatred in that area.

—ALBERT W. PEARL,
Chickadee, Ont.

Your assessment of the U.S. action on Libya is correct and a courageous statement in this age of nativism in the Western world.

—JOHN BARTLETT,
Providence

Nonviolent control

Senator Rhoton's massive support throughout Pakistan ("The return of La. 101," World, April 21) clearly indicates that the people want a genuine change toward democracy. So far, Rhoton has been able to keep the movement nonviolent and to control anti-U.S. feelings among the masses. Had it not been for her peaceful equality, the U.S. Embassy in Pakistan would have burned down again in retaliation for U.S. aggression against Libya.

—K. YOUNG, GOSHEN
Don Mills, Ont.

Assigning the blame in Cuba

Your article on Castro's Cuba ("The last Cuba," Can., April 21) was excellent and objective. Having visited the country during both the pre-Castro era and the post-1959 period, the contemporary visit contrasted drastically with the past, with improvements in health, education and housing. As you suggest, part of the blame for the heavy presence of the Soviet Union can be placed on the United States, which clamped an economic stranglehold on Cuba as it tried to recover from the success of the Batista regime.

—BENT SON, GOSPEL,
Barrie, Ont.

Letters are edited and may be condensed. Writers should supply return address and telephone number. Most correspondence to *Letters* in the *Editor's Mailbox* magazine, 1000 Main Street, 10th Fl., 717 Bay St., Toronto Ont. M5W 1A7.

DIED: Entrepreneur John F. Bassett, 47, whose ebullient personality and varied business interests contributed sparkle to a reformed family, after a long fight with cancer, in Toronto. Nicknamed "Johnny F." by the press to distinguish him from his father, media giant John W. Bassett, the younger Bassett was better known to a still-younger generation as the father of tennis star Carling Bassett. Bassett's own love for sports was reflected in his sponsorship of three professional teams, most recently the Tampa Bay Buccaneers football team. When he publicly disclosed his illness in April, 1985, Bassett said: "The going to ease my burden, be with my family and smile the same. You are going to see the greatest athlete sports ever had." Bassett kept his promise.

DIED: Author Theodore H. White, 71, whose books on U.S. presidential campaigns made political reporting an art form, after suffering a stroke, in New York. As Second World War correspondent for *Time* magazine in China, White's reports from Nationalist China conflicted with the views of the magazine's publisher, Henry Luce, and led to White's departure from *Time* in 1946. A year later he published *The Making of a President*, which won the Pulitzer Prize. White followed with books on the campaigns of 1964, 1968 and 1972. In 1975 he wrote *Breach of Faith—The Fall of Richard Nixon*.

DIED: Vietnamese actress Elisabeth Berger, 85, a stage and screen star for more than 40 years, after a long illness, in London. Berger, a Jew, was banned by the Nazis and her films were banned in Germany from the mid-1930s until after the Second World War. Later, she resumed appearances on the German stage, and in 1962 she received the Schiller Prize from the city of Wiesbaden, West Germany, for contributing to German cultural life.

ELECTED: Montreal has a new right activist: Dorothy Hoffman, 51, as president of the Canadian Jewish Congress, the first woman to head the influential 67-year-old organization.

WAS AWARDED: To Barnaby, B.C., author L.K. Wright, 45, the Mystery Writers of America's prestigious Edgar Allan Poe award for *The Suspect*, judged the best mystery novel published in 1985.

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FOLLOW-UP

From rock to riches

He pads around his London penthouse in faded jeans and bare feet. At 43, former rock singer Dave Clark still exhibits his image as a working-class boy who rose to fame and fortune. And yet, his oversized rings and gold bracelet give him the air of a Hollywood film producer rather than the leader of the 1960s band The Dave Clark Five. Twenty-one years ago the band became one of the first English pop groups to tour North America, earning millions of dollars from such chart-topping singles as Glad All Over and Don't Put Me Down. But when the decade ended, so did Clark's recording career. Now, after 16 years in entertainment, Clark has invested a sizable portion of his savings—he will not say how much—in a new project: a futuristic West End London musical, *Time*, of which he is producer, creator and co-writer. Clark told *Maclean's*: "I've always felt that in order to achieve something big, you have to risk falling flat on your face."

According to London theatre critics, that is exactly what he has done. After *Time* opened last month, *The Sunday Times* reviewer John Peter panned the show as "pure blips," while Michael Ratcliffe of *The Observer* called its music "dull, wet and loud." In *Time*, a representative of the Earth appears before a panel of celestial judges on charges that the planet's existence poses a threat to the universe. But Clark claims not to be bothered by such criticism, pointing to the musical's popular appeal. Said Clark: "If you are packing in 2,000 people a night, you must be doing something right."

Throughout his career, Clark has been known as much for his business sense as for his artistry. The son of a postal worker, he left school at 14 to sell commercial real estate. But two years later he quit that job to pursue an acting career. Short of cash, the lifelong sportsman started what later became The Dave Clark Five in order to raise money for a local soccer team, the South Grove Youth Club, on which he played. The team wanted to play a rival team in Holland. In early 1963 he ordered a batch of business cards for the group. He gave some to a friend's mother who worked as a maid at Buckingham Palace, asking her to leave them in places where they would be noticed. The band then received a tel-

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ter from the palace "inviting us to play at a stiff ball."

At first the group failed to get a recording contract, and Clark decided to manage the group himself. In the early days of pop music, many young musicians signed away rights to their songs to agents and record companies. But Clark produced all of the group's records himself, raising money for the first single, *Glad All Over*, by working as a film extra. Later, when the band became popular, he raised the price to record companies, earning royalties five times higher than what was then the industry average.

Although The Dave Clark Five scored its first hit records in Britain, the group soon became more popular in North America. Between 1964 and 1966 the band placed seven singles on the *Billboard* Top 50. But by 1969 Clark concluded that the group's best days had passed. "The moment all of the fun went out of it, I realized it was time to quit," he said.

After the band broke up, each member went his own way: guitarist Larry Davidson into selling optiques, his player Dennis Payton into real estate and bass player Rick Huxley into electronics. The fourth member, keyboard player and vocalist Mike Smith, composed jingles for TV commercials in Britain. By contrast, Clark spent several years after the breakup studying acting and travelling around the world. He also bought the rights to the 1960s British television series *Standy, Standy, Go!*, which featured such performers as The Beatles, The Rolling Stones and The Beach Boys. Three years ago Clark released the first in a series of home videotapes from the programs. Along with his royalties from re-releases of old Dave Clark Five records, the videotapes are a source of steady income.

Clark says that the idea for a stage musical came to him in 1988, partly as a response to the pessimism he saw in the people around him. "In the 1980s there was a feeling that anything was possible. Now every time you pick up a newspaper or turn on the TV all you see is doom and gloom," he said. The show stars pop singer Cliff Richard as a musician accustomed to playing Earth's case. Despite poor reviews, Clark said that he plans to produce the show on Broadway next year. He is also releasing a second stage musical and a film version of it. But one thing he refuses to consider is a Dave Clark Five reunion—even though a U.S. promoter offered him \$36 million in 1989 for a series of concerts in New York and Los Angeles. Said Clark, "I'm not living in the past."

—BONO LAFER in London



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COLUMN

The fault in no-fault divorce

By Barbara Amiel

The following are three Ontario marriage and divorce scenarios

• When Jane Smith married her husband, Tom, he was an office manager. Jane was making a few dollars with her at-home cooking lessons. Now, six years later, Jane has a successful cooking school while Tom has spent his energy on a string of offbeat ventures. The couple live in a rented apartment but has a summer house paid for with royalties from Jane's first cookbook. Tom earns \$40,000 a year, but at divorce time Jane sees him half the value of her cooking business, half her savings, plus half the cottage and all home furnishings. Tom has no assets of his own. Jane thinks that Tom's infidelity, which justified her constantly, should have some bearing on the financial settlement.

• When Bill and Janet Jones got married they put down \$100,000 that Bill had on a home which was registered in his name. Janet still works as a secretary and Bill is a \$25,000-a-year sales manager. They have no children, and most of their income has gone on lifestyle caprices. When Bill divorced Janet, she planned to stay in the matrimonial home, which by previous Ontario law was a joint asset. But since a new law just passed, this is what happens: The \$100,000 that Bill brought into the marriage is exempted from the couple's total worth. Also, the house must be valued at current real estate prices, which make it worth \$150,000. That means Bill is worth \$100,000 minus \$100,000 he brought into the marriage, leaving the couple with \$50,000. After 16 years of marriage Janet will get no home, only \$25,000.

• When Irv and Beverly Wilson married, he had just got his chartered accounting degree. After 15 years of marriage, Irv had built a major business. At divorce time Irv offered his wife their \$500,000 home and a lump sum settlement of \$2 million plus child support. Beverly, he argued, had not contributed to his business, nor had she given up a career for him. Beverly agreed, but she pointed out that Irv's business was worth \$50 million and therefore she was entitled to \$15 million of it, plus half the value of all their other goods. The courts agreed. These cases are fictional, but they are legally accurate examples of divorces that couples without marriage contracts face in Ontario—as well as in British Columbia, Alberta, Manitoba and Quebec, which have similar rules on joint ownership of business and personal assets. Last Jan. 17 the Ontario Family Law Act was passed, making all business assets and personal belongings accumulated during the marriage joint matrimonial property in the event of divorce.

The problems this new legislation creates are legion. The act has several faults and consequences.

• It mistakes equality for fairness. A 50-50 split of assets may be an arithmetically even division, but it may not be fair. It will be fair in cases like that of a farm housewife who has contributed equally through her work on the farm. But the husband who plays golf while his wife works as a fashion designer or the wife who plays bridge while her husband works as a neuro-

surgeon does not deserve 50 per cent of their spouses' business assets.

• The arbitrary 50-50 split of property will actually hurt women more as they become more economically productive partners in marriage.

• Our legislators have gradually sacrificed the protection that all married women—survivors of economic standing—used to have by virtue of being married. A wife's dower rights used to give her a one-third life interest in her husband's estate. The concept of support used to be legally broader, in that a woman was not expected to provide herself with a means to the workplace. But over the years divorce reform has eroded these rights. Although the latest act retains the concept of support, the spirit of the legislation favors only limited support to enable a spouse to enter the workplace, thereby supporting herself.

• The law is retroactive. When couples married 30 years ago, the economically productive spouse had no idea that the fruits of his business would be so endangered. At the same time, many women got married believing they were

entitled to a lifetime of support.

But far too, the most troubling aspect of divorce reform is the federal government's small, direct legislation, which will become effective next month. To understand what the reform means, ask yourself two questions: Is there such a thing as a bad spouse? Do spouses have obligations in marriage? If your answer to both questions is "no," then you believe that each has nothing to do with marriage and divorce. You believe that there is no such thing as a bad spouse and that marriage entails no obligations as anyone's part. This makes the idea of no-fault divorce perfectly sane. But I think most people would find such assumptions utterly ludicrous. There are bad spouses—alcoholics, violent and cruel. There are obligations in marriage, and sometimes spouses breach them.

This matters because some marriages come to an end because of misconduct by one partner and it is unfair and cruel to ask the other spouse to begin—*in addition to the heartbreak of divorce—financial burdens that result from the other party's actions.* Fault ought to have some bearing on property settlement.

Marriage is a contract, but our new laws seem to give it no weight. It has become a contract that can be broken with no burden on the party that violates it. It is frivolous or selfish reasons. People who behave dutifully, on the other hand, and carry out their matrimonial obligations with meticulous attention have no protection against losing their property—no matter how gross the behavior of their partners may have been.

It is foolish to suggest that courts cannot enforce fault in marriage; courts routinely enforce more complex civil cases. Nor does it make sense to say that in most divorce cases both parties are equally at fault. It may be so, but often it is either negligence, or one party will be a housewife, an accountant, lawyer and the economically unproductive spouse in expensive marriages. They do nothing for marriage or for ordinary, middle-income Canadians facing divorce. And since these laws discourage protection, tell people on one hand and reward unpredictable, frivolous people on the other, we can look forward to real growth in selfishness and laziness in this brave new Canada of ours—thanks to the no-fault world of progressive divorce.





MULRONEY UNDER FIRE—AGAIN

The pressure built through two weeks of accusations and controversy. Day after day, the news media published details that laid the financial affairs of Sinclair Stevens' family-owned company with its corporate connections with his ministry, the department of regional industrial expansion (CIRE) Day after day. Parliament Hill was charged with an air of crisis as opposition MPs launched a relentless attack on the credibility of Stevens and on the government of Prime Minister Mulroney. Then, shortly after 11 a.m. on May 12 Stevens rose in the Commons and calmly read a brief resignation statement, typewritten as a cross-columned ministerial statement.

The controversy, Stevens said, had "seriously hampered my ability to perform my duties as minister, and he called for the appointment of an impartial person to conduct an investigation."

With that, the 58-year-old Stevens strode out of the House and—what has become a ritual humiliation for departing Conservative cabinet ministers—plunged through a horde of reporters and cameras to his waiting Oldsmobile limousine. Behind him lay the power and prestige of his ministry and a 14-year political career.

Probed: Only two days after Stevens resigned, Quebec Tory MP Robert Toupin (Torroneau) added to the government's problems by announcing his resignation by Stevens' wife, Norreen, was in fact legal and ethical. But the strategy failed. Liberals and New Democrats kept the issue in the public spotlight and the question of the minister's guilt or innocence became largely irrelevant. As long as he was under attack, the gov-

"a profound and irreconcilable difference between your government and myself." The government received still another setback when Quebec MP Marcel Gosselin, 46, was charged with 50 counts of influence peddling and abuse of public trust. Court documents allege that Gosselin, who represents the east end Montreal riding of Grosse-Île, had shored several thousand dollars in cash or benefits from government contractors.

Scandal: Stevens' departure, following four other ministerial resignations over the previous 18 months, was severely damaging to the Mulroney government. Indeed, not since the Liberal government of Lester Pearson sustained a series of five resignations and defections in 1965 has a cabinet been so buffeted by charges of scandal and incompetence as such a short period.

For days senior government officials had insisted that the alleged conflicts of interest involved in transactions by Stevens' wife, Norreen, were in fact legal and ethical. But the strategy failed. Liberals and New Democrats kept the issue in the public spotlight and the question of the minister's guilt or innocence became largely irrelevant. As long as he was under attack, the gov-

Parker: a public inquiry



ernment would be perceived as on the defensive. Abruptly, the Prime Minister's Office shifted course. But the sudden change in tactics, and the decision to accept Stevens' resignation, may have damaged the credibility of the Mulroney government and its most experienced ministers. Said a senior Conservative party official, "Of course it's another hit. It's not exactly a junior cabinet minister we're talking about here."

Stevens' fall, led by Deputy Prime Minister Erik Nielsen during Mulroney's 10-day absence in Vancouver and Asia, insisted that an independent inquiry would exonerate Stevens. The Prime Minister himself, writing to a list of Japanese, Chinese and South Korea, maintained that "Mr. Stevens will be fully vindicated and return to cabinet." And Stevens, who retired last week on his 300-acre cattle farm north of Toronto, insisted in his letter of resignation that he was "determined to establish that these allegations are without foundation." He told Maclean's, "All I want is an impartial examination of the facts."

Plans: Still, the Stevens affair raises questions about the quality of advice that the Prime Minister receives on how to deal with a political crisis. It also underlined fundamental flaws in the government's code of conduct that Mulroney presented in the Commons on Sept. 9, 1988. As well, it allowed

an opposition spokesman to suggest a government already suffering serious blows to its integrity and a decline in public opinion polls. Declared New Democratic Party leader Ed Broadbent after Stevens' departure: "The performance of the government for the past two weeks has been totally lamentable."

The Prime Minister, returning late Thursday to Ottawa, refused to comment on either Toupin's defection or the Gosselin case. But naming William Parker, chief justice of the trial division of the Supreme Court of Ontario, to head a formal commission of inquiry, Mulroney appeared to accept his political setback philosophically. "The only thing certain about public life is

that it will be filled with uncertainties and challenges," he said. "My job is to deal with that as best I can. The tide goes in and the tide goes out." He added, quoting former Newfoundland premier Joey Smallwood. And he reminded the crowd of reporters that greeted him at Canadian Forces Base Uplands, "It's one thing to have someone married. It's another to have them married." Indeed, despite the climate of scandal, there was no firm



Stevens (left): Mulroney returning: seeking vindication

evidence that Stevens had in any way breached the cabinet's conflict-of-interest guidelines.

But the buildup of allegations against Stevens during the two weeks that the government resisted calling an inquiry, or offering any detailed defense, made the minister's departure—even if temporary—almost inevitable. The Commons controversy began with an April 29 Globe and Mail story which detailed a \$2.6-million loan arranged a year ago by Norreen Stevens from Amco Capital, a founder and shareholder of Magna International Inc., the giant Marchand, Ont., automobile maker, which has extensive dealings with her husband's department.

Stevens had placed his varied business interests in a blind trust, shortly after he became a cabinet minister. But his wife, lawyer and his longtime business partner, remained a vice-president of Cudiff Investments Inc., the troubled real estate arm of the family holding company, York Centre Corp.

Revelations: Stevens, Mulroney and Norreen—who orchestrated the government's resistance strategy during the Prime Minister's Asian tour—each insisted that there had been no breach of the conflict-of-interest guidelines. But subsequent revelations in the media provided the opposition with further ammunition, on May 9. The Toronto Star reported that Norreen Stevens, through Trevor Ryton, president of Bursan Ltd., approached three Toronto brokerage firms—without success—for help in raising a \$50-million securities package for York Centre Corp. The brokers were later hired by her husband's department to do government work.

By Sunday, May 11, senior Tory strategists had concluded that the embattled minister would have to resign. Conservatives couldn't demand reasons last week that Mulroney had demanded Stevens' letter of resignation—dated May 11 and released as Stevens stepped down the next day, with Mulroney's acceptance following soon after. Still, the optics of appointing an inquiry was clearly under consideration the week before the resignation. A senior Tory official had told Maclean's on Friday, May 6, that the inquiry was being actively considered. Another highly placed Conservative said that Stevens himself had agreed shortly after the controversy began that the action might become necessary if public pressure became too great. But, the source told Maclean's, "you could not do it in the first couple of days because it would look like you were running from the opposition every time something came up."

On the decisive Sunday, May 11, Mulroney gathered his most senior advisers to assess the political damage. The cabinet asked for the meeting the modern, white-brick Chateau government villa where the Prime Minister was billeted during his visit to Peking. As reporters covering the Asian tour enjoyed their first full day off, Mulroney and Stevens "heartily agreed" during a morning meeting that there was a "prompt resignation" along with a public inquiry, was the only viable option.

Rebates: By Monday morning, a cry report in Korea, where Mulroney had travelled from Peking, said the resignation was imminent. The reporters were soon solving through official Ottawa. A crowd of reporters can-

fronted Stevens when he arrived at 9:30 a.m. at his office on the fourth floor of Parliament's Centre Block. Inside, behind locked doors, the minister told those staff members who did not already know that he was about to resign. At 10:30 he sent a note to House Speaker John Benley requesting time to make a "brief personal statement" when proceedings began at 11 a.m. After his statement—applauded by some, but not all, members of the Tory caucus—Stevens' cabinet colleagues crowded around his desk to shake hands. The minister then left for his farm. Nielsen also left immediately for a meeting with Mulroney's deputy principal secretary, Ian Anderson, the senior Tory staffer left behind during the Prime Minister's trip. Then, Nielsen telephoned Seale to confirm that Stevens had resigned. Transport Minister Don Mazankowski was named acting head of Stevens' critical department, which oversees an \$850-million budget for grants to businesses across the country.

Nettles: The Stevens resignation revealed four other politically embarrassing ministerial departures. Mulroney has ordered the casualty list:

- Defense Minister Robert Cousin: Resigned on Feb. 12, 1985, after the

fronted Stevens when he arrived at 9:30 a.m. at his office on the fourth floor of Parliament's Centre Block. Inside, behind locked doors, the minister told those staff members who did not already know that he was about to resign. At 10:30 he sent a note to House Speaker John Benley requesting time to make a "brief personal statement" when proceedings began at 11 a.m. After his statement—applauded by some, but not all, members of the Tory caucus—Stevens' cabinet colleagues crowded around his desk to shake hands. The minister then left for his farm. Nielsen also left immediately for a meeting with Mulroney's deputy principal secretary, Ian Anderson, the senior Tory staffer left behind during the Prime Minister's trip. Then, Nielsen telephoned Seale to confirm that Stevens had resigned. Transport Minister Don Mazankowski was named acting head of Stevens' critical department, which oversees an \$850-million budget for grants to businesses across the country.

● Fisheries Minister John Fraser: Resigned on Sept. 23, 1985, after a CBC TV the fifth cable story about his decision to overrule government inspectors and authorize the sale of about one million tons of mussels. The resignation may have been hastened because Fraser publicly disagreed with Mulroney about when the Prime Minister first learned of the problem.

● Communications Minister Marcel Masse:

Resigned two days after Fraser, because of an earlier investigation into alleged irregularities in his campaign spending for the 1984 election. The investigation cleared Masse—two campaign workers were convicted, a case against a third is pending—and he returned to his former cabinet portfolio. But Conservative party national director Gerry Langert caused a later controversy when he, like Fraser, disagreed publicly with the Prime Minister about when Mulroney's staff became aware of the matter.

● Minister of State for Transport Suzanne Blais-Grenier: Resigned on Dec. 24, 1985, ostensibly over a disagreement with Mulroney about a government decision to permit the sale and closure of Gulf Canada's Montreal refinery. Blais-Grenier, however, had been criticized in the Commons earlier for her clumsy handling of her former environment portfolio—she was defeated in a shuffle the previous August—and later for two much-publicized trips to Europe which totaled \$64,000 in expenses.

Even before the allegations that led to his cabinet resignation, Stevens—who remains the MP for the Toronto-area riding of York-Peel—had already been a frequent focus of controversy, both in business and in the political arena that brought him to Parliament in 1978 (page 14). An aggressive businessman who made a fortune with his wife primarily through shrewd real estate dealings, Stevens made opponents



Turner: Nielsen (below) is a strategy that backfired

in the financial community with his unsuccessful 1983 attempt to launch the Bank of Western Canada. That project ended before the bank ever opened its doors.

In 1976 Stevens ran for the Tory party leadership in a shrewd first step: surprise platform. After a subscription drive in a field of 13 on the first ballot—while Mulroney was still in the running—Stevens threw his support to Joe Clark and was appointed Treasury Board president in Clark's short-lived 1979 government.

In the 1983 Conservative leadership contest Stevens became one of the first MPs to support Mulroney. The new leader named Stevens external affairs critic in opposition and then awarded him the regional industrial separation portfolio after the 1984 Tory election landslide.

When? Observers said last week that Mulroney's intense loyalty to those who supported him on the way to the Prime Minister's job may help explain his apparent reluctance to confront the conflict-of-interest allegations against Stevens sooner than he did. Stevens was also said by insiders to command great power in Conservative economic policymaking. Declared an veteran Tory MP who is also an old friend: "His opinion was sought and heeded. If he is out for good, it will be a big loss to this cabinet."

Still, as long ago as last December some knowledgeable insiders began predicting that Stevens would be

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most of the industry portfolio to make room for a Quebecer, most likely Marc or Secretary of State René Robitaille, as a cabinet shuffle that is expected next month. Other sources said that Stevens had also spent some prime ministerial advisers because his intense personal style, was beginning to blind him to potential political dangers. Said one Ottawa consultant with strong Tory ties: "He craves horribly for his pet projects and you never

the Hand Bank Canada, where parent company is 40-per-cent owned by the Hyundai industrial conglomerate, had provided \$10 million in loans to Stevens' holding company in 1983. Opposition now charged that a ministerial decision by Stevens this winter to let Hyundai abandon a 1983 bio-Canadian commitment—valued at about \$300 million a year—may have been influenced by the fact that Hyundai is a major shareholder of the Hand Bank.



Stevens (right) in the Commons; Robitaille (left); the movement built identity

really know where he is going to head next."

The list of grievances against Stevens included his controversial announcement—made at the height of the Quebec election campaign late last fall—and an auto assembly factory to be

retrofitting in his farm near Aurora, Ont., 30 km north of Toronto, Stevens, who underwent heart bypass surgery last October, was in sufficiently good spirits last week to smile down to the locked gate of his farm, wearing a pullover windbreaker and a blue wool cap.

and that anxiously about what he called his "pre-discovery." He told Macdonald: "I'm fine. When you are in public life, you expect respect to happen." Still, Stevens' rising association president, Ramo Cignoni, said that the strain of the recent controversy had taken a heavy toll on Mrs. Stevens. De-clared Cignoni: "She can take it, but she has gone virtually into bed."



much harder than he is and that is a real tragedy."

Reaction to the resignation last week among Tory circles remains was, for the most part, one of relief. Said a veteran Tory in "There's no doubt a lot of people were getting a lot of flack from their constituents about this thing." But insiders said that a number of Mrs. St. Maloney had handled the affair by not insuring on Stevens' suggestion immediately after the charges were raised. And a senior Maloney aide said, Macdonald's that the example of Mrs. Maloney—who, by stepping down immediately, avoided the withering opposition attacks endured by Stevens for two weeks—was a major topic of the May 11 damage assessment meeting in Pilling.

Truth Opposition MPs charged that Maloney had agreed to the inquiry only because public pressure was becoming intolerable and not because he saw anything wrong with Stevens' behavior. Still, Liberal Leader John Turner "It is just another item in the series of events which shake the people's confidence and trust in the Prime Minister." And both opposition parties, agreeing that Parliament and not the judiciary should have been responsible, claimed that Maloney had prejudged the outcome of any independent inquiry by saying that he was certain that Stevens would be cleared.

But during Friday morning's Question Period in the Commons, a virulently flogged Maloney insisted that the Prime Minister would have followed the law to explore all aspects of the controversy. For his part, Mr. Jeanne Perrier said last week that he would have subpoena power to call witnesses and would conduct the inquiry in public. "It's like a trial," the judge said. "You're searching for facts, for the truth, and they're open to the public."

Stevens' Maloney's advisers were clearly hoping that the resignation and the decision to call an inquiry would quell the storm over the Stevens affair before Maloney returned to the Commons this week. But the controversy had already blunted the positive effects of Maloney's Asian tour, and senior Conservatives conceded that the mood among party officials around the country was not good. With the government rocked by its fifth ministerial scandal in the last 15 days, poll showing the Conservatives with the support of just 33 per cent of voters, compared with 40 for the Liberals and 21 for the NDP, a greater worry for officials was whether the government could re-establish its credibility among Canadians before the next election.

—MICHAEL BARR with STEPHEN ALLENKIND in Ottawa and PAMELA GIBBELL in Seoul

MORE THAN BLIND TRUST

—COVER

In the summer of 1983, as then-prime minister Pierre Trudeau tried to free his government from conflict-of-interest charges involving former cabinet minister Alexiav (Ottawa), he reached for a familiar solution: Trudeau assigned a high-level task force to examine the entire question of conflicts between personal and public interests for parliamentarians, government appointees and civil servants during and after their public service. Co-chaired by Michael Starr, a labor minister under then-prime minister John Diefenbaker, and by former Liberal cabinet minister Mitchell Sharp, the task force issued its final report in the spring of 1984. But the Conservative government, elected in the fall, silently rejected many of its recommendations—among them tighter rules "relating to spouses and other family members' assets." And last week, as the Tory government confronted the controversy surrounding Industry Minister Sinclair Stevens' resignation, Starr told Macdonald: "That is precisely the sort of thing we tried to avoid."

Law: The task force members urged the government to replace present ministerial guidelines with a full-fledged ethics-in-government law. They added that it should be administered by an appointed ethics council empowered to rule on possible conflicts of interest and to recommend appropriate action to the Prime Minister. But when Maloney announced his own conflict-of-interest code on Sept. 8, 1985, it was similar to the one used by Trudeau. Maloney said that the government would not "work its responsibility" by having a quasi-independent agency monitor possible conflicts. "The ultimate responsibility for the ethical standards of the federal government rests with the cabinet and, more particularly, with me," he declared.

But a powerful ethics counselor, Starr said last week, would have immediately investigated the allegations

against Stevens—and limited the political damage to Maloney. Freshman Tory MP Patrick Boyer (Edmonton), who served as the task force's executive director and who still favors the appointment of a commissioner, added that Maloney may "want to look at it again in light of what's happened."

The Stevens affair underscored a

linked to a company that had received grants from Stevens' industry department. Maloney's code does not encompass spouses, although a covering letter noted that ministers must avoid conflicts, "including those that might arise out of the activities of spouses or dependent children."

Some critics charge that the federal guidelines are not as strict as Maloney claimed they were. He described his code as "the most comprehensive action ever taken by a Canadian government in the area of public sector ethics." But the 1984 Ontario Municipal Conflict of Interest Act, which governs local governments, extends to children and spouses of elected officials, critics note. Under the Prime Minister's rules, cabinet ministers and senior staff members are required to submit a confidential report of their holdings and assets to the assistant deputy registrar general, a public sector reporting to the Prime Minister. To meet the requirements, they can publicly file with the registrar their interests in such holdings as farms and small family businesses which do not contrast with the government and whose shares are not publicly traded. But they are required to divest themselves of assets whose value could be affected by government decisions. Usually the holdings are sold or placed in a revocable trust fund.

Stevens: But even the toughest conflict-of-interest rules can only serve as ethical supports of a government's standards of conduct. Conceded Liberal leader John Turner: "It is not possible to codify the whole range of human behavior." Boyer himself concluded, after months of researching the problem, that public officials are ultimately responsible for conducting what he called "the new test" for detecting conflicts of interest. To avoid having it appear in tomorrow's newspaper, he advised fellow MPs, "don't do it."

—KEVIN MACQUEEN in Ottawa



Starr: A man of regulations, confusion and failed attempts

fundamental problem with a succession of conflict codes stretching back to July, 1973, when Trudeau first laid down guidelines the role of spouses and children. Stevens said that he complied with Maloney's code by surrendering control of his business affairs and placing them in a blind trust administered by National Trust Co. Ltd. But with Starr, a lawyer and vice-president of one of the family firms, engaged a loan through businesses

AT THE EYE OF THE STORM

CORNER

As a life-line devoted to dual careers in business and politics, Steven Stevens has struggled in the past with the elements that conspired last week to force his resignation from Prime Minister Brian Mulroney's government. Despite a network of associates in the business community—and his political support of free enterprise—Stevens never succeeded in shaking off doubts about his true business abilities. His career included a series of business failures in the 1980s, including a controversial attempt to establish a Bank of Western Canada in the '80s, and while Stevens clung to a measure of support in Canadian financial circles, there were, at a Toronto business association, "strong detractors as well."

The political storm that led to Stevens' resignation as minister of regional industrial expansion mixed questions about the financial stability of his companies. It also focused attention on the web of interconnections among firms that were asked to help assist his family's company, York Centre Corp., and the boards of Crown corporations Stevens controlled as a cabinet minister.

Murphy. Last week members of the business community were generally reluctant to comment on reports linking various firms with Stevens' company. The latest and most controversial link, Trevor Rytton, the powerful chief executive of Brunswick Ltd., said that he had named in the spring of 1989 to help Stevens' wife, Norrene, in her efforts to find money for York, the holding company for the couple's relatively modest business interests in oil and natural gas, real estate and financial services companies. In October, 1989, Stevens accepted the appointment of Rytton as a director of the Canadian Development Investment Corp. (CDIC).

An aggressive and sometimes innovative businessman, Stevens became president of the Treasury Board in 1973 in Prime Minister Joe Clark's short-lived Conservative government. He declined at that time, "In my whole life I have never had anyone else manage my business affairs, and I don't want to lose control." Still, he formally complied with Clark's request of interest guidelines at the time. And more recently he pointed out that his business interests were held in a trust trust managed by the National Trust Co. Ltd.—and that he did not

know about his wife's activities.

But the links between businesses who were asked to raise money for York Centre and the Crown corporations overseen by Stevens as a cabinet minister did seem to form a pattern. Frank Stronach, the chairman of Magna International Inc., whom Norrene Stevens initially approached for a

At the same time, three brokerage firms—Barron Fry Ltd., Dominion Securities Pacific Ltd., and Gordon Capital Corp.—were invited by Rytton to a meeting to discuss possible loans to York Centre last spring. The three firms expressed no interest. They were later awarded lucrative contracts to act as agents for the government in



Stevens (left), Norrene Stevens and Trevor Rytton discussing doubts about connections

loan, was named to the Board of CDIC at the same time as Rytton. He recommended that the contact Amren Capital, a founder of Magna and vice president of a Magna subsidiary, Luce. May be loaned \$25 million to a family firm, Cardiff Investments Ltd.

In that same time period she approached Rytton to help her find a source of funding. Along with Rytton, Stevens' appointments included Paul Marshall, who is president of the Brunswick affiliate Western Resources Ltd., as CDIC president and chief executive officer, and Patrick Keenan, a Stevens director, as director of both the CDIC and the CDIC, a private holding company of which the government owns 70 percent voting rights. In addition, Edward Rowe, the president of Stevens' York Centre, was appointed to the CDIC board.

the sale of CDIC assets. The assets included The Hamilton Aircraft of Canada Ltd., Canadian Ltd., Telesat Canada and Eldorado Nuclear Ltd. Jack Lawrence, the chairman of Burns Fry, is also a director of Magna International, which has made a bid for Canadian.

Director. The Stevens controversy also focused attention on the role Norrene has played in the couple's business affairs since they met at law students in the mid-1960s. Married in 2005—the Stevenses celebrated their 28th wedding anniversary last week—the couple set up a joint law practice that same year. Since then, Norrene has frequently served as company legal counsel or as a director of many of the family firms. "She is a successful lawyer in her own right," said a legal expert last week. "It is to be restrained

because she is his wife and a woman?" Stevens' varied business interests had modest beginnings. Born and raised just outside of Toronto, where his father managed a farm, Stevens graduated from Osgoode Hall Law School. He made his first major in-

Coyne said that Stevens planned to have one of his own firms borrow money from the new bank. Stevens denied the allegation. Eventually, the bank collapsed. A subsequent Commons committee report noted that there was "no evidence of wrongdoing" by Stevens.



York Bank: discussing knowledge about a potential conflict of interest

vestment success shortly after establishing his practice as part of a consortium that earned a \$250,000 profit on a \$15,000 loan paid purchase north of Toronto.

Dispute. From that financial base, Stevens had constructed a business empire by 1984 made up of real estate interests, financial services firms and four trust companies, including York Trust and Savings Corp., which opened branches in Ontario supermarkets. Granted a federal charter in 1985 to establish a Winnipeg-based Bank of Western Canada, Stevens appointed James Coyne as president. But Coyne, who had resigned as governor of the Bank of Canada in 1981 after a policy dispute with the government of John Diefenbaker, said that he became convinced over what he believed were Stevens' plans for the bank.

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launched by shareholders to recover money invested in the failed western bank, other firms controlled by Stevens faced problems caused by over-indebtedness. At one point, the bank valued some of his firms associated with York Trust plummeted, and investors publicly complained about inadequate disclosures. In 1987 Stevens was forced to merge York Trust with an outside firm to forestall its collapse. Worried that York Trust's depositors might lose their savings, the Ontario government quickly introduced a stopgap provision that allowed insurance plan until the NEB introducing federal deposit insurance—then working its way through Parliament—passed.

Rescue them. When Stevens was first elected to Parliament in 1972 for the Toronto-area riding of York-Simco, he controlled a restructured group of solvent businesses. But financial problems and suggestions of possible conflicts of interest dogged him after Mulroney led the Conservatives to victory in September, 1984, and named Stevens to his cabinet. Serious concerns were raised following revelations earlier this year that the Canadian subsidiary of South Korea's Hanil Bank had loaned \$16 million to York Centre in 1985. The bank is partly owned by the Korean-based parent company of Hyundai Auto Canada, a major beneficiary of loans from Stevens' ministry. Stevens defended himself by disclosing knowledge of Hanil's links with the company and by explaining that all but \$700,000 of the borrowed money had been repaid.

Coyne's loan to York Centre's troubled real estate subsidiary is not in itself illegal, nor is the earlier unsuccessful meeting between Stevens and the representatives of the three brokerage firms. At the same time, there is an evidence that Stevens violated the trust placed in him as a minister of the Crown. Robert Boyle, the federal lieutenant in charge of administering Mulroney's conflict-of-interest code, said that a minister who was being placed in a blind trust and has a

responsibility to warn his department when a problem might arise. "The message of the code is that you must be careful about your personal and financial interests," he said. The outcome of the controversy will depend heavily on how well Norrene and Richard Stevens kept their personal and business lives apart.

Stevens' resignation as minister of regional industrial expansion mixed questions about the financial stability of his companies. It also focused attention on the web of interconnections among firms that were asked to help assist his family's company, York Centre Corp., and the boards of Crown corporations Stevens controlled as a cabinet minister.

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Boyle public scrutiny



—ANN SHREVEY with THOMAS TRENDON in Toronto

A BUSINESS CONNECTION

COVER

Good-looking, tough and goldenly well-voiced, anti-parts magnate Frank Stronach is the affable role model for thousands of Canada's aspiring entrepreneurs. He arrived in Montreal from Austria in 1956 and 25 years later made his mark with \$200 in his wallet. Last year Stronach earned \$10 million—as much as hockey star Wayne Gretzky—making him the country's top-paid executive. His company, Markham, Ont.-based Magna International Inc., is the largest Canadian auto-parts maker. Admired as a no-nonsense businessman and criticized by the labor movement for his uncompromising anti-union stance, Stronach has also learned how to make full use of Canada's rich system of industrial grants. But last week he found himself embroiled in the Stephen Stewens resignation, a political controversy that threatened to cloud Magna's glowing reputation.

Serendipity: While Stewens was resigning his subject post in the wake of allegations that he had violated the government's conflict-of-interest guidelines, Stronach's own relationship with the state came under increasing scrutiny. Last year Stronach directed Stewens' wife, Norren—who was seeking a loan for a family firm, Cariff Investments Ltd.—to Annet Chapkin, a longtime associate and shareholder of Magna who is now a vice-president of Multistyle Inc., a Magna subsidiary. At about the same time, Magna was negotiating with Stewens' department of regional industrial expansion for a \$64-million grant to help the company build two factories in Cape Breton. That grant was more than double the total amount of federal aid that Magna had received in 11 grants between 1972 and 1984—the year the Conservatives won the federal election.

Last week Stronach firmly defended his personal relationship with Norren Stewens. He said that she asked him for advice on how to obtain a business

loan to assist troubled Cariff, a subsidiary of York Centre Corp., the Stewens' principal holding company. Said Stronach: "She came to me as a friend. In the future I would do the same thing." And some businessmen said that they understood the Magna chairman's action. Said Michael Sifton,



Stronach long established relations with governments.

secretary of Toronto-based Arundale Co. Ltd.: "Say we get a grant and somebody I am dealing with on a daily basis comes to me for something. I'd have no problem doing something for them." He added, "It's natural and human for people to go to the people they know."

Building: Earlier this year, during the first stages of the Tory government's program to privatize Crown-owned companies, Magna submitted a bid for federally owned aircraft maker Canadair Ltd. The bid was sent directly to Stewens' Industry office—instead of to the Canada Development Invest-

ment Corp. (CDIC), the Greens' transportation unit in charge of Canadair.

Magna has a long-established relationship with the federal industry department—receiving millions of dollars in grants and interest-free loans. Former Liberal industry, trade and commerce minister Edward Levesque, now chairman of Noranda Manufacturing Inc. and a consultant to the auto-parts industry, told Mulcahey's last week that he sought out Magna to participate in grant programs because the company was successful at creating jobs. The company received its first grant, for \$250,000, in 1972 during the Pierre Trudeau administration. Mulcahey has learned that between 1972 and 1984, Magna obtained 11 grants and loans totaling about \$29 million.

Then, in August, 1984, a week before Bruce Mulcahey's Conservatives swept into power, Magna and Levesque signed a new agreement covering grants to the company. Under that arrangement, which is still in effect, Magna would receive a dollar from the government for every \$9 it invested in new projects—up to a maximum of \$50 million in grants and loans.

Mitch: Magna has obtained a far more generous arrangement from the Conservatives. In June, 1985, Magna signed another agreement—with Stephen Stewens as industry minister—to set up auto-parts plants in Cape Breton. After 10 months of negotiations and delays, last April Stewens finally announced the details of the deal. Magna planned to build two parts factories that would cost \$64.2 million and employ a total of 270 people. Company officials said that the government should commit a large amount of money because Cape Breton's venture was considered a high risk. As a result, the government matched Magna's investment dollar for dollar.

Industry insiders had also considered Magna to be the likely successful bidder for Canadair. And in January, Prime Minister Mulroney appointed Stewens to the board of the CDIC, the federal holding company that owns Canadair and is in charge of selling it. Stewens has spent years cultivating influential members of both the Liberal and Conservative parties. He has said in the past that he belongs to nei-

ther party and gives money to both in approximately equal amounts. His contacts among his friends include Ontario Conservative cabinet minister Roy McMurtry, now Canadian high commissioner in London. And former Ontario Tory premier William Davis sits on Magna's board of directors. Presently Ontario Liberal Donohoe Mills is Magna's vice-president of corporate affairs. And Stronach was a

corporate boss toward the estimated \$1.2-million cost of staging the event. About 300 investors from 21 countries attended the conference, and Mulcahey gave the keynote address. But one Liberal insider said "It was a horrible conference. They had to pay people to come."

Control: Last week Stronach moved swiftly to limit any damage from the Stewens resignation. Known for his



Magna auto-parts plant, address to grants and interest-free loans.

head-table guest at Trudeau's major farewell appearance in Toronto in December, 1983. Said the president of a major Canadian auto-parts maker, who asked not to be named: "He keeps a full-time lobbyist in Ottawa."

Lines: Earlier this year Mills played a government role at Opportunities Canada, an international business conference held in Toronto. The conference, organized by Mills, was designed to encourage foreign investment in Canada as well as joint ventures between Canadian and foreign firms—a business arrangement that Magna has used with great success. Although Opportunities Canada was a private sector initiative, Stewens' department provided a \$500,000 in-

vestment with the press, he readily agreed to interviews—but there were stringent conditions. Among them: that the interview be published in a question-and-answer format. When contacted by Mulcahey's Stewens also requested that the journalist sign an agreement allowing him to read and approve the edited version of the story before it was used. Mulcahey's rejected the terms. Explaining his demands, Stronach told Mulcahey's: "We got stabbed, bruised and very gun shy."

Stronach has many defenders who praise his successes. Lamley describes Magna as a "first-class company." He added, "If every company in Canada were like Magna, we would be first everywhere in the

world." Declared Gerald Greenwald, chairman of Detroit-based Chrysler Corp.: "Magna is as good as any auto-parts manufacturer in the world." With 55 factories and sales of \$294 million in 1985, Magna has close to 20,000 employees turning out 4,000 different car parts—from brake-pedal assemblies to windshield wiper motors. Stronach espouses a pro-union, people-oriented corporate philosophy

that emphasizes benefits such as profit sharing, day care and sports facilities for employees. He is also a strong opponent of labor unions. It is a long-term policy to limit the number of employees in its plants to approximately 100—a practice that Magna says encourages a family atmosphere and that outpaces for the United Automobile Workers of Canada claim discourages organizing. Said Ross Hargrove, administrative assistant to one of Canada director Robert White: "We're now working on a major organization drive. We hope to get at the eye of the company."

Publicity: In the weeks ahead, when the inquiry into Stewens' conduct begins, the relations between Stronach and the former industry minister and his wife, Norren, will likely come under further scrutiny. It is the kind of publicity that the rarely bailed millionaire is not used to.

—LINDA CAMPBELL AND THERESA TREMBLAY AND QUINN ADAMSON in Toronto and PRINCE WALLACE in Montreal



Mulcahey, first class



Rescuing hostages in mock assault, Simmonds (below) with SECT members stress

A team against terror

About 50 km southwest of Ottawa, down an unmarked dirt road in a wooded shack, six terrorists were holding a blindfolded man hostage. Police negotiations to end the siege had failed and Federal General Pierre Bessy had decided to use force. In a stunt building 200 m down the road, Canada's new 6-member Special Emergency Response Team (SECT) prepared to attack. During the negotiations, the team members had rehearsed their assault on a confounded mock-up of the shack. They had memorized the layout, the entry points and the back-halls on the outside walls for a practice attack on a mock hostage taking.

Suddenly, a diversionary bomb exploded outside the terrorist hideout and four members of the SECT team storm the shack. Their Holder and Koch submachine guns cracked, two of the team members pick off the six terrorists. Spent 3 mm brass cartridge casings ricochet around the room.

Only press behind, their 6 mm Sauer pistol in hand, submachine guns at the ready, two other commandos move toward the hostage. In just three seconds he is dragged to safety. The team



hacks out of the barn, weapons poised—menes unscathed. Although last week's demonstration assault was mounted against "terrorists" made of polystyrene, the team believed its purpose, to show that Canada has a new weapon against terrorism. Since it was forged in March

under the ACMP, the SECT team has trained continuously—practising spider drops down the sides of buildings, steering aircraft under siege and learning to fire instinctively at an enemy's head and heart. Declared Bessy after last week's assault, performed near Charlton Place, Ont.: "We have to send a signal to international terrorists that we are prepared to defend Canadians."

Recruited from the RCMP's existing emergency response teams across the country, commandos will spend three years with SECT based in the Ottawa area before returning to regular police duties. They'll consist of 24 men will rotate in a monthly basis, one team on call and the other in training. The squad's mandate is to resolve hostage incidents involving foreign diplomats in Ottawa or incidents elsewhere that are beyond the capabilities of regional or municipal police forces. Declared Bessy: "They are a weapon of last resort, brought in at the last moment when all else fails."

Squad members were put through a rigorous selection process including psychological tests, to determine their ability to withstand extreme stress. The essential qualities: maturity, judgment, team spirit and an ability to deal with crisis situations. "Presumably the sort of person we would not want," Bessy said, "is someone who sees himself as a Rambo."

Authorities insist that the squad is now ready to respond to any terrorist threat. And because of recent incidents, including a hostage taking at the Turkish Embassy in Ottawa last year and the June 1986, sabotage of Air India Flight 182, RCMP Commissioner

Robert Simmonds mentioned that Canada must take precautions. Declared Simmonds: "I hope we never need it. But with the state of the world as it is today, it would be irresponsible not to be prepared."

—HELENE MACKENZIE in Ottawa

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'You can't fight that'

Third class stoked with anxiety, groups of people stood outside houses along Highway 102 southeast of Fredericton last Friday, nervously watching a billowing pall of smoke drift overhead. The cloud cast a 40-km-long shadow over Saint John's parish, the peninsula St. John's River Valley. Dozens of volunteer firemen, police and 500 soldiers from nearby Canadian Forces Base Gagetown watched helplessly as a wall of flame five stories high swept menacingly through the bush toward them. Said one fireman from nearby Brunswick: "We're just watching. You can't fight that." Shortly after, the fire swept across the highway and rushed toward a half-dozen summer cottages clustered near the river's edge. And the situation was much the same in parts of the other non-organized Atlantic provinces where, at week's end, vast tracts of forest were threatened by raging fires.

Near Gagetown, 45 km southwest of Fredericton, the inferno destroyed homes, cottages and more than 12,000 acres of forest, as hundreds of fire residents were evacuated. Three heavy C-119 water bombers, lent by Ontario and Quebec, dived overhead, dropping to less than 200 feet to release their loads. But for a time the fire seemed impossible to control. Said firefighter John Erbilie: "I really don't know if we're going on this fire or not. It keeps jumping all over the place."

The New Brunswick fire was apparently initially ignited by a stray round of live artillery fired into the bush near Gagetown during an army gunnery practice early in the week. Said Andrew Beck, whose rural Upper Gagetown home was threatened by the blaze: "I've heard different stories. All I know is I want a God-damned good explanation for it." In Ottawa, Defence Minister Erik Nielsen said that the military's activity will be "the subject of close inquiry."

But the Gagetown fire was only one of nearly 50—many of them out of control—that blazed across the province. While firefighters struggled to bring the Gagetown fire under control, an even larger blaze, covering 10,000 acres, raged within three kilometres of the Acadian fishing port of Tracadie. By the end of the week 75,000 acres—close to 50 per cent of the trees seasonally harvested for sawmilling operations—had been destroyed.

Meanwhile, in northern Newfoundland, about 46 ground crews struggled with more than a dozen fires, including a wind-fed blaze that burned only

three kilometres from Grand Falls (population 8,000). Residents used garden hoses to water down rooftops in an effort to prevent hot ashes from spitting their houses. Across the province, police in St. John's were investigating what appeared to be the only fire-related death—after firefighters battling a dry brush fire dis-

covered the body of a 37-year-old girl. Roughly 36 fires were also recorded late last week in Nova Scotia; the province temporarily banned open flames. And in Prince Edward Island, while four major fires were under control, three new ones erupted by week's end, with daytime temperatures in the mid-30s, there was no rain in sight to provide relief.

—CHRIS WOOD in Gagetown with correspondents reports



Firemen battle blazes in P.E.I. (above) and Gagetown: an inferno fire sweeps high



Canada's clouded image



Deaver, playing an insider's role to the White House, the chief executive's schedule and the presidential news courts

In his five years as White House deputy chief of staff, Michael Deaver built a reputation as President Ronald Reagan's number-one insider. But last week officials from the General Accounting Office (GAO)—the investigative arm of the United States Congress—accused that the public relations consultant, who resigned from the White House in May 1985, appears to have violated neither-of-interest laws as a \$100,000-a-year Washington lobbyist for the Canadian government. By dealing with the aid and news question both in the White House and later as a lobbyist for Canada, the GAO said, Deaver may have breached laws restricting the lobbying activities of former government officials. And Deaver, acknowledging that "the public perception at this point is not good," conceded last week that the case might be had failed to safeguard his own.

But as new questions were raised in Washington and Ottawa about the Canadian government's involvement with Deaver, critics charged that there may be another casualty: Canada's own image in the United States. Bud Liberman, Mr. Deaver's assistant, deputy external affairs since he last week called for a

parliamentary investigation into Deaver's firing. "The fact that we are running really close to the line is being an example to breaking the law is extraordinarily bad for our image," Deaver, who denied violating any laws, at the same time eliminated some access to the controversy. The morning after the GAO turned its report over to the justice department for an investigation into possible criminal charges arising out of his lobbying, Deaver announced that he was going up three of the provinces that symbolized his unique access to the President. He will no longer have a copy of Reagan's confidential daily schedule, nor the White House tapes courts or retain his White House pass.

For Ottawa, involvement in the Deaver affair is seen by many observers as the most harmful development in a series of recent blows to Canada's prestige in Washington. That negative cycle began on March 25 when Sandra Gotlieb, wife of the Canadian ambassador, slapped the embassy's social secretary, Connie Greer, at an official dinner during Prime Minister Brian Mulroney's visit to Washington. Gotlieb and her husband, Allan, had achieved such success in attracting

powerbrokers—led by Deaver—to their circles that the *Red Street Journal* had had to turn to the hottest couple on an exclusive basis. But the incident became the leading subject of press reports and gossip in the capital. Since then, the Gotliebs have kept as uncharacteristically low social profile. Washington society seems to have returned from its initial defense of Sandra Gotlieb last week, in a two-page article in the *Washington Post* entitled "A Big Chill for Canada," reporter Lois Romano wrote. "Many guests were positively shocked by the immaturity and outrageous Sandra Gotlieb's behavior implied," she added that some Washington luminaries are now having second thoughts about attending Canadian Embassy functions—and are speculating how soon Ottawas will terminate the Gotliebs' posting. Bud Scott Adler, editor of the city's monthly social chronicle *Washington Digest*, wrote: "When it happened we cringed and stood behind her. But in fact all the ambassadors' wives said, 'Thank God, it's her.' Sandra Gotlieb was never that wonderful to her peers and she wasn't the best."

Much of the controversy over Sandra Gotlieb's actions reflected the exas-

perated the couple had created on their way to cutting a social swath in Washington—including her controversial twice-monthly address to the *Washington Post* on social life in the city she called Powerland. Acknowledged as a Canadian diplomat: "If the wife of the Canadian ambassador had done this nobody would have noticed. But given the path this couple has chosen, there

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The Gotliebs, Connor (far left) a chill for embassy now's hottest couple

are people who are running in now for the fall." In fact, a senior Ottawa official confirmed that Allan Gotlieb has been seriously wounded as an ambassador. He is expected to leave his post by the time of the November congressional elections, possibly for an ambassadorial position at Harvard. Among the candidates for his job, former ambassador to Iran Ken Taylor, now an executive with the U.S. food conglomerate ILL. Nabors Inc.

But the "big chill"—as one headline described it—had all the more serious implications for Canada-U.S. relations because of the strategy of "public diplomacy" that Gotlieb himself devised to raise the country's profile in Washington. That strategy engaged increased press coverage and direct lobbying on Capitol Hill to press Canada's case. Even the ambassador's several critics gave him credit as a highly effective diplomat who has won widespread U.S. attention for his country's interests. But observers in

and for the fact that Ottawa was caught off guard last month when the Senate Finance Committee abruptly decided to vote against Canada's bid to begin free trade negotiations. The committee finally agreed to the negotiations, but some observers charged that Gotlieb should have known that a majority of key senators planned to vote against the measure. They also claim that Gotlieb ignored Finance Committee chairman Robert Packwood—who represents lumber interests in Oregon—by indicating that Ottawa, because it had White House support, did not feel compelled to compromise its position of selling lumber to the United States.

Other analysts say that Canada was nothing more than an innocent victim of American political battles. They add that it is the Deaver case Canada may have stumbled into a similar fight. Bud Paul Robinson, U.S. ambassador in Ottawa until last year, "It's people

trying to get Deaver because he's close to President Reagan. It is no long-term effect on relations with Canada."

The Deaver investigation—initiated by Congressman John Danzell (D-Mich.), who represents constituencies opposed to excessive control standards—may already have damaged further progress on the trade talks issue. David Hawkins, senior attorney at the National Resources Defense Council, a Washington-based environmental organization, "Opponents of aid and aid controls are already using the Deaver affair as an excuse to stall legislative." And while U.S. critics have charged Deaver with overconfidence in promoting nuclear power and risk, Canadian critics doubt that he was really effective. Deaver has claimed that he does not even know what acid rain is. Meanwhile, Newfoundland Liberal leader George Baker last week, "If he doesn't know what acid rain is, what does he actually do for his \$185,000?"

The consequences of Deaver's employment raised serious issues that have led all the way to the Prime Minister's Office. After the Canadian Embassy refused to give contents to co-operate with the congressional investigation into Deaver's activities, Gotlieb finally submitted a letter on the GAO's final deadline for information. In it, he claimed that the first discussion of a contract with Deaver occurred on May 26, 1985—six days after he had left the White House. But that account contradicted published reports citing unidentified Canadian diplomats as saying that informal discussions had taken place with Deaver during preparations for the March 26-27 summit meeting between Mulroney and Reagan in Quebec City.

Three days after sending his letter, Gotlieb dispatched a second note. He acknowledged that a Canadian official—later identified as Mulroney's close friend and senior adviser, Neil Denney—had made "a light-hearted conversational remark" to Deaver during the summit preparatory meetings that Canada could use his "talents." But Baker told Mulroney's staff: "The senior policy adviser to the Prime Minister does not make light-hearted remarks in a courtroom, that phrase is your defense when you're caught."

The Deaver case may lead to a total re-evaluation of Ottawa's strategy in Washington. Last week Awerchuk said that Ottawa needs to re-examine its ideology and its decision-making. It is time for a much more correct, proper, comprehensive style to get our name based on its merits, as opposed to who you know," Awerchuk added, "which years have been a little bit blackened over time."

—MARK MCGRAND in Washington



Mulroney with Chun Doo-hwan's Premier Zhuo Ziyang (below: human rights)

KOREA

Mulroney's troubled tour

The 25-day trip to the Pacific Rim of Asia was the most extensive foreign journey of his 20 months in office. The mission was to sell Canada and its products, to attract investment and to present the Prime Minister as a globe-trotting leader conferring with the powerful. But Brian Mulroney's diplomatic tour of Japan, China and South Korea—following the Tokyo economic summit—was shadowed by the controversy in Ottawa that led to the resignation of Industry Minister Richard Storch (page 54). And as he completed his tour last week in South Korea, Mulroney's mission was also tarnished at home by criticism that his cabinet seemed unable to stay out of trouble.

Still, the Prime Minister claimed at the close of his trip in Seoul that his meetings with Asian business and political leaders had been immensely successful. Mulroney of his South Korean visit "I am impressed by the prospects for a healthy two-way expansion of this bilateral trade relationship." Korea agreed for the first time to import shipments of automobile coal for domestic fuel and metals allowed from Western Canada. The deal accord will involve an initial trial ship-

ment of between 30,000 and 60,000 tons at \$9 a ton beginning this year—in addition to the \$500 million worth of sulfur bromine coal for steel and power plants that Canada already sells to Korea each year. The Canada deal involves an initial shipment of 12,000 tons beginning this year at about \$200 a ton. As well, the Koreans agreed to lower the tariff on autos to 10 per cent from 40 per cent, making it more competitive with U.S. suppliers.

Although no agreements were reached, Mulroney and Korean officials also talked about lowering Seoul's timber tariffs in order to reduce Canada's \$383.4-million annual trade deficit with South Korea. That deficit is largely the result of high tariffs on Canadian staples, including lumber and agricultural products. But Korea experts of Hyundai automobiles, for one—the country's most profitable export—was allowed into Canada tariff-free until 1997 and are not regulated by quotas because Ottawa classifies Korea as a developing country.

As well, the Prime Minister found time for an uncheduled visit to the United Nations-controlled Demilitarized Zone separating North and South

Korea. There was praised the courage of the 526 Canadians who died during the Korean War and he stopped over the border into North Korea for three minutes. Mulroney criticized the lack of human rights in the North, but also spent about half of a two-hour meeting last Tuesday with South Korea's President Chun Doo-hwan, promising him far democratic reforms in South Korea. Chun, who seized power in 1980, has ruled with an iron fist ever since. Human rights—attended by tens of thousands of Koreans—have called for direct presidential elections to replace the electoral college, whose members are clearly Chun supporters.

The South Korean president has said that he will step down in 1988, a pledge he reaffirmed during his meeting with Mulroney. Chun did not offer guarantees on electoral reform, but the Canadian government official commented, "We were not told to send our own business." But in South Korea the Prime Minister came face to face with one aspect of Chun's regime: press censorship. Reporting on his talks with Chun, the country's two English-language dailies devoted six months of human rights discussions. And after Mulroney praised the Canadian parliamentary system during his address at a banquet in Chun's palatial Blue House, the Korea Herald deleted Mulroney's comments from its version of the text.

Meanwhile, the Storch affair, the resignation of backbench Tory MP Robert Turpin and 58 charges related to bribery, breach of trust and fraud upon government that the 1987 land agent Montreal Commissioner of the Prince of Wales met a large cloud over the Prime Minister's trip. At his closing press conference in Seoul, Mulroney insisted that the resignations of ministers during the past 10 months showed a commitment to parliamentary tradition that is "a sign of strength," not weakness. And on Wednesday, while addressing the Pacific Rim Economic Council—a group of businessmen from Pacific Rim countries—he also made a reference to his party's problems. From a prepared text he spoke of Canada's "political stability." Then, looking up, he added, "And I hope it stays that way."

—PAUL GOSWELL, in Seoul

CANADA'S WEEKLY NEWSMAGAZINE

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5. Entries will not be returned. All winning entrants agree that Maclean's will have the sole right to use the winning photographs for promotion purposes without compensation.
6. Entrants guarantee their photographs submitted have not been previously published and are not subject to any copyright other than the entrant's. Signed releases must be available for photographs showing recognizable persons.
7. The names of winners will be published in the July 31 issue of Maclean's.
8. Photographs must have been taken in 1988.
9. Contest is open to Canadian residents only.
10. Contest is open to amateur photographers only. Employees of Maclean's, Hunter and their families, employees of Via Rail Canada and their families and employees of Key Porter Books and their families are not eligible.
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An explosive demand for change

The dictator remains in hiding in a villa in Prince. A new red-and-black flag flies in place of Haiti's old black and red colors. The Toussaint Louverture, the dictator's favored secret police, have disappeared—were killed by vengeful vigilantes, most of the ones in hiding. In Port-au-Prince, a capital that rarely saw public dissent in almost three decades of Duvalier family rule, streets walls are scrawled with political graffiti demanding more change. But more than three months after the popular uprising that drove dictator Jean-Claude (Baby Doc) Duvalier into exile, Haitians wait with signs of growing impatience for the reforms their rebellion promised.

In downtown Port-au-Prince hundreds of unemployed line up every morning hoping to get work. It is a grim demonstration of the reality that half of Haiti's workforce is without work or underemployed. And as the National Council of La-Den Hérité (Nahé), reduced to three members from its original six, moves hesitantly toward change, some experts warn that Haitians frustrated by the slow pace may explode into another uprising like the one that deposed Duvalier in February. Said one diplomat, "Haitians want everything—and they want it right now."

But the Caribbean country's per capita income of \$446 remains the lowest in the Western Hemisphere—and is declining. The months of disorder that preceded the February uprising brought the economy close to a standstill, and violent strikes by dozens of trade unions forced some then have contributed to the decline. Nahé's council is faced with \$1.7 billion in debts to foreign and domestic banks. Gestures such as the recent arrival of Dominican aide Col. Manuel Arzua—who went on trial two weeks ago accused of killing four people—have failed to allay demands for reform. And a growing number of Haitians are rallying under the catchphrase "dechoukè"—a Creole word meaning "to uproot."

Haitians cite the slights to explain sporadic outbreaks of violence. One occurred on May 9 when residents of the

northeastern town of Port Liberté rioted after a week-long general strike. The trouble began after the government refused to move regional administrators offices back to Port Liberté from nearby Ouanaminthe, where they had been moved 23 years ago. But townspeople say that lack of electricity and clean drinking water were also at the root of the upheaval. Said Port Liberté's Mayor Masfren Joseph angrily: "We thought that since Haiti

claim that they are being persecuted by Catholics. Others, however, say that only those with links to the Duvaliers have been attacked. Said Prince Georges St., a voter precinct whose temple has remained untouched: "It is only the bad who are gone, who are attacked."

Nahé Haitians cling to the hope that democratic rule will eventually solve the country's problems. Said one part-time laborer in Gonaves, 145 km north of



Marchers in Port Liberté; Jérôme (below) frustration over the slow pace toward reform

had been liberated, all our major problems would be solved."

Meanwhile, popular anger has been directed against those associated with the Duvalier regime. The bones of Jean-Toussaint Macoutes have been exhumed. Fils Bernard, II, who says he became a member of the secret police to secure a job as a guard in a discotheque, told *Nahé* that he cannot leave his small home to support his four children. Said Bernard: "If someone does not like me, they will take advantage of the situation to kill me."

Voodoo priests have also become targets because of their association with François (Papa Doc) Duvalier. Voodoo temples have been raided, and some practitioners of the spirit religion claim that as many as 100 priests have been killed during the past three months. Although other reports state that figures at about 100. Some voodoo followers

Port-au-Prince: "If there are elections, there will be more work." Nahé pledged to hold elections as soon as possible when he took over after Duvalier fled to France on Feb. 7. But last week the government announced that it would not hold an early election—and it gave no indication when it would take place.

Said Nahé: "We have to organize so that people are able to accept their responsibility as citizens. It is not easy to get to that point very quickly."

Still, many Haitians are clearly unwilling to wait much longer. The graffiti in the capital include threatening phrases: "Down with Foreigners" and "Down with Whites." But one of the most conspicuous is "Down with Nahé." Nahé must address that problem, or risk another uprising like the one that toppled Duvalier.

—MARK KUTLANDER in Port-au-Prince



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YUGOSLAVIA

'A victory for justice'



Arkanovic: convicted

Sitting in an easy chair in the bulletproof glass booth that had protected him throughout the four-week trial, 60-year-old Arkanovic nodded the good impassively. Last week in Zagreb, Judge Milica Gajski sentenced the former wartime commander-in-chief of Croatia to death for ordering mass executions of civilians and prisoners of war between 1991 and 1992. Declared Gajski: "This trial, for which we have all waited for such a long time, is a victory for justice." As a member of the Nazi and Franco-backed Ustasha government in the Yugoslav republic of Croatia, Arkanovic was blamed for the deaths of roughly 900,000 Jews, Serbs, gypsies and other observers said that the death sentence for Arkanovic, who has maintained his innocence since his extradition from California in February, would probably be reduced to a prison term on appeal. Said one lawyer: "The main thing is that the indictment symbolically held Arkanovic up as an example of all the crimes of the Ustasha regime."

THE UNITED STATES

A dissidents' reunion

The reunion was timely. On the 10th anniversary of the defunct Moscow-based Helsinki Watch Committee—founded to monitor Soviet compliance with the human rights accords signed by 35 nations in 1975—including Soviet dissidents Anatoly Sharansky and Yelena Bonner met last week in New York for the first time since the morning of Sharansky's Moscow arrest in 1977. Bonner, the wife of restricted Soviet physicist Andrei Sakharov, was permitted to visit the United States for medical treatment. Asked at a New York press conference what could be upon returning to internal exile in Gorky next month, Bonner replied, "I am always expecting terrible things." Later in Washington, Sharansky—who was released from a Soviet prison in February and allowed to emigrate to Israel—had a private meeting with President Ronald Reagan and addressed 800 members of Congress in a special ceremony. Sharansky urged the United States to keep restrictive trade sanctions against Moscow to stop human rights abuses. "I am released," the 58-year-old computer scientist told a packed audience of legislators. "But 400,000 Soviet Jews are still kept as prisoners of the Soviet Union."

NICARAGUA

An elusive peace

During accusations of corruption and human rights abuses from U.S. congressional critics, three key Nicaraguan rebel leaders fighting to overthrow the Sandinista government convened in Miami last week to resolve their differences and discuss up the tattered image of the Contra guerrillas. The meeting—attended by United Nicaraguans Opposed to the diktatado Adolfo Calero, Alfonso Robalo and Arturo Cruz—was called at the urging of White House officials who say they want an internal power struggle and a cessation of drug smuggling

and gunrunning could destroy the chance of nonpartisan approval of a \$400-million (U.S.) aid package to the insurgents. Meanwhile, Latin American diplomats say the apparently irreconcilable differences between Nicaragua and the United States will prevent the signing of a Central American peace accord proposed by the so-called Contadora group of neighboring nations. The Sandinistas refuse to sign the treaty unless the Reagan administration first ends its support of the Contras. And with the White House firmly committed to the anti-Communist rebels, the prospects for peace remain more elusive than ever.

BANGLADESH

Protesting a poll

The capital of Dhaka resembled a ghost town last week as Bangladeshis observed a six-hour general strike to protest the widespread violence and blood that took place during the May 3 parliamentary election. An eight-party opposition alliance headed by the Awami League accused the pro-government People's Party of Indian meddling and police violence in more than 100 constituencies. Official returns last week showed the People's Party leading the vote with 194 seats to the alliance's 90 in the 300-seat parliament. The election commission announced that polling would resume this week in 30 areas where voting was suspended as a result of the violence. Before the election the president and military leader of the Awami country, Lt.-Gen. Hossain Ershad, pledged to lift martial law when a newly elected legislature is in place, heralding a new era of civilian rule in a nation torn by political assassinations and military oppression in its service from Pakistan in 1971. Still, Awami League Chairman Sheikh Hasina Wajed accused Ershad of orchestrating the rigged poll. Said Hasina: "This is an election of unprecedented blood, where the popular opinion has been throttled by back-door maneuvering."

NORTH KOREA

The kidnap script



Kim Jong Il: Kim Il

The developments resembled a movie thriller. South Korean film director Shin Sang Ok, 59, and his actress wife, Chen Yun Hui, 46, thought to have defected to North Korea in 1978, emerged in Baltimore last week claiming that in fact they had been kidnapped on the orders of Kim Jong Il, the son and heir apparent of North Korean President Kim Il Sung. According to Shin and Choi, the younger Kim is a movie buff with a personal collection of 20,000 titles who wanted them to work for North Korea. Shin said he was imprisoned for four years for repeated escape attempts but that the couple acquiesced in 1983 and gained freedom of movement after watching several Kim portraits in Eastern Europe. Then, on a business trip to Vienna in March, they sought asylum in the U.S. Embassy. And as the couple awaits permission for U.S. residence, the adventure so far ends with a cinematic twist. \$5.3 million has been entrusted to them for film projects in Europe and in Shin's personal bank account in Vienna.

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SPORTS

An all-Canadian Stanley Cup final



Calgary Flames celebrate the Campbell Conference Cup win, the first final between two Canadian teams since 1967.

The last time it happened, the National Hockey League had only six teams, a hockey stick cost just over \$1, Montreal was hosting the world at Expo 67 and Canada was celebrating its centennial. Now, 18 springs later, the sport has 21 teams, the sticks cost more than \$10, Vancouver has its Expo— and two Canadian teams are once again in the Stanley Cup final. Not since 1967, when the Toronto Maple Leafs defeated the Montreal Canadiens four games to two, has the final been all-Canadian. Two months of playoffs eliminated 14 teams, leaving the Calgary Flames and Canadiens to contest the 96th Cup. Said Calgary general manager Cliff Fletcher: "It should be a classic East-West, Grey Cup-like championship."

It is the first appearance in the Cup final for the Flames, who joined the league in 1972 in Atlanta, Ga., and moved to Calgary in 1980. The best-of-seven series, which opened in Calgary at week's end, is the Canadiens' 53rd. Said wins it was founded in 1909 and victory would represent their 33rd league championship. For now, Montreal is tied with baseball's New York Yankees for most major-league titles in North American professional team sports. History appears to favor Montreal—they defeated the Calgary Tigers for the Cup in 1994 and have won it in each year ending with the number six since the Second World War—but recent events indicate a close series.

This season, Calgary earned just two points more than the Canadiens. Ironically, in this all-Canadian final, Montreal's 20-man roster includes six Americans, two Swedes and a Czech. And the Flames have an American coach, Bob Johnson. Two American players, one Swede and six Canadian U.S. college graduates. As well, the Canadiens' storied history is misleading. The 1986 chapter includes a rookie coach—Jean Perron—10 players in their first NHL season and only two players—Larry Robinson and Bob Gainey—returning from the teams that won four consecutive Cups from 1976 to 1979. Said Montreal captain Gainey: "It is all uncharted territory for these guys." And the same is true for Calgary co-captain Larry Miles: "I have played in the NHL for 13 years and all I ever asked for is one shot at the Cup. And I'll tell you, it feels pretty damn good."

The Canadiens reached the final by defeating the Boston Bruins, Hartford Whalers and New York Rangers. The Flames advanced by eliminating the Winnipeg Jets, upsetting the defending champions Edmonton Oilers, and surviving a tough seven-game series with the St. Louis Blues. Rookie goaltender Patrick Roy, 20, led the Canadiens, allowing an average of just 1.77 goals per game. As for the Flames, striking early has been their key. Calgary scored first in 14 of 17 playoff games,

winning 11 of those games. But in a series starting the sixth and seventh-best teams in 1986 regular season play, the final six suffer no illusions. Said Gainey: "The last three Cup-winning teams had a lot more talent and experience." And, said Flames centre Joel Quenneville, "this is our chance. Realistically, I doubt if we'll have another shot at it for a while." Added Calgary coach Johnson: "If you analyze this league, there is still one team superior to the other 20—and the other 20 are pretty even. That club on ice in Edmonton is clearly better." But, on the eve of this year's final, Fletcher acknowledged that the Canadiens possess "something that you can't manufacture—tradition."

Although the Flames could count on being inspired by the sea of red spectators in the stands at their Olympic Stadium, when they travel to the historic Montreal Forum this week they will confront the 77-year-old blue, white, and red tradition. As New York Ranger right winger Pierre Larouche said after a playoff loss in Montreal last month, recalling the exploits of Maurice Richard and Guy Lafleur: "You can't win in the Forum. It must be the ghosts of the Rocket and the Flower." Despite the daunting tradition, the Flames will be trying to write some history of their own.

—BRIAN QUINN with BRUCE WALLACE in Montreal and TERRY JAMES in Calgary

A backbencher crusade

Next month, in the historic, high-ceilinged Railway Committee Room on Parliament Hill, an obscure committee of 11 Mrs. will hold an extraordinary hearing. The Commons standing committee on finance and economics will hear testimony from Bernard Gherb, chief executive officer of real estate giant Cadillac Fairview Corp. Ltd. of Toronto. Gherb, who in the past year has become increasingly public in his criticism of corporate concentrations, has already told the committee that he is convinced that in at least one instance the senior executives of a giant Canadian conglomerate ordered a financial institution which they controlled not to lend money to competitors. Providing blanket parliamentary protection from prosecution, members of the committee will ask Gherb to name the individuals and companies involved. If Gherb's testimony proves as sensational as the committee members are quickly predicting, it will set the stage for an inquiry into corporate abuse of power that could redraw the contours of Canadian business.

Using Gherb's testimony as a springboard, the committee members said they expected to explore a series of abuses of power by conglomerates—particularly those that control financial institutions. Currently, no company or individual may own more than 10 per cent of a major Canadian bank. But there is no ownership limit for trust, loan or insurance companies, leaving these open to domination by a single shareholder. The oft-cited goal of the committee, according to Tory chairman Donald Blakeney, is to force the government to pass laws preventing any individual or company from gaining control of major Canadian financial institutions.

Because most institutions are already controlled by non-Canadians, the committee's stated aim is to force the owners to sell off most of their share holdings in trust and insurance companies. In that, the committee will not only challenge the government, which has rejected ownership restrictions, but will also issue a direct challenge to the most powerful corporate barons in Canada.

For many of the committee members it is a stand that threatens their own



Altwell (left), Blakeney and McCrossen: issuing a direct challenge

reputations and their political futures. This is particularly the case with Paul McCrossen, William Altwell and Blakeney, three Toronto-area Conservative Mps who are leading the battle. But members of the committee say they are convinced that it is a risk worth taking. Said Altwell: "We've come to a fork in the road of Canadian economic development. There are simply too few people controlling too much of the destiny of this country. To not pursue the point would be frickily irresponsible."

That stand has already drawn criticism from Bruce Eyles, the president of Branson Ltd., the monarch Trust-based holding company that is at the heart of the corporate empire controlled by brothers Edward and Peter

Branson. Branson, through holding companies, controls Royal Trust Co. Ltd. (with assets of \$33.5 billion), London Life Insurance Co. (assets \$4.4 billion) and Wellington Insurance Co. (assets \$36 million). Earlier this month, at Branson's annual meeting, Eyles said that "commentators in the press and in parliamentary proceedings" are mounting a "vindictive debate over corporate concentrations."

The committee's sense of unity and determination is unusually strong. The members of the finance committee—seven Conservatives, two Liberals and two New Democrats—have for the most part abandoned partisan positions and are working closely together. For many of the members, particularly the

veteran Mrs. that is a refreshing change. Said Liberal member Andrew Nicholson: "After 12 years of sitting on committees, it's nice to see one that finally works the way you thought they were supposed to."

The committee first issued its mandate last November when it released a report that amounted to a scathing critique of government policy. Charged

with examining a gross paper on the regulation of financial institutions reviewed by Robert McDougall, the chairman of the committee held five months of intense hearings. All the Mrs. said they were convinced by the testimony that the only way to assure the health of the Canadian financial community was to adopt ownership restrictions, rejected by McDougall's paper. Committee members said that they were particularly alarmed by the phenomenon of self-dealing, which occurs when a financial institution controlled by one owner is forced to do business with either companies also owned by the firm. And they expressed concern about the possible abuse of deposited money.

Five months later the finance committee saw another opportunity to press the government on the issue of corporate ownership. In late March, Branson Ltd., a Montreal-based conglomerate which controls food, tobacco and drugstore companies, announced that it was attempting a \$34-billion takeover of Genstar Corp., a San Francisco-based conglomerate which holds interests in real estate, construction materials and transportation. But the real gem in the Genstar empire was Canada Trust Mortgage Co., the country's sixth-largest financial institution. Genstar had acquired Canada Trust in August, 1980, and intended to merge it with Canada Permanent Mortgage Co., which it had purchased in 1981. In November, a month before the merger was to formally occur, the finance committee, urged McDougall to block it. McDougall said it was too late to reverse the deal. McCrossen said that he resolved to make the committee's point more forcefully the next time.

On March 24, when Branson announced the takeover, McCrossen asked McDougall during a press period if she intended to prevent it. McDougall replied that the government would watch it closely. To his great surprise, McCrossen said, the opposition failed to follow up with additional questions. Two days later McCrossen requested a special debate on the finance committee's ownership proposals. That unusual action by a government member led to speculation in the media that McCrossen was leading a backbench revolt against the government. On April 3 the finance committee focused the Branson transaction and unanimously voted to urge the government to ban takeovers until new ownership regulations were in place.

The same day, Finance Minister Michael Wilson, the minister in whom McDougall experts suffered, to strike an accord with McCrossen. Wilson, McDougall and government House Leader Jim Shultzman told McCrossen that McDougall was to introduce legis-

lation that Branson needed to a set of conditions. These included stipulations that no subsidiary or affiliate of Branson would engage in any self-dealing with Canada Trust, and that if the government later asked Branson to sell some or all of Canada Trust in the open market, it would do so.

Branson at first refused to consider those conditions. The next day, at a special meeting of the Tory caucus, McCrossen outlined the proposal he had made to Crawford. It would have been the basis for negotiations between McDougall and the company.

On April 24 McDougall told an finance committee by telephone that she was having two press releases prepared, one saying that Branson had accepted the proposal, the other announcing that she would prevent the sale. Branson had until midnight Wednesday to respond. Shortly after 12 p.m. that night Branson called back to accept the deal. Two days later, after McDougall publicly announced the compromise, she and McCrossen each braved over a two-hour lunch at a private club.

But even then, both Mrs. were aware that the finance committee had already laid the groundwork for another round in the debate over corporate ownership of financial institutions. On Thursday, April 24, McCrossen had hosted a CBC Radio interview with Canada Trust's chief executive officer, Mervyn Labin, in which Labin mentioned several instances of self-dealing between Genstar and Canada Permanent. On Monday the committee took action, requesting a special parliamentary reform package introduced in February had given the committee broader use of its power of summons, a kind of parliamentary subpoena that has been used by committees only twice in the past decade. At the same time, the finance committee used that power to summons Labin to testify, along with Angus MacNaughton and Ross Turner, Genstar's chairman and president respectively.

McDougall critique



The committee decided to extend its net to Mrs. by further by naming three other powerful non-owners: Branson's Eyles, and two other executives with Branson subsidiaries, Melvin Hershberg and Robert Dunford. The Mrs. went on to talk to the Branson executives specifically about a complicated example of self-dealing in which a Branson subsidiary had acted as broker for Triflex Financial Corp., another Branson subsidiary.

Two hours before the

hearing began on April 25, McCrossen assembled the committee members to discuss their strategy. Over dinner at a private north of the parliamentary restaurant, he and Allaire laid out the issues and an outline of a deal-making between Genstar and Canada Permanent and between the two Benson financial companies. "There was a sense that history was being made and new ground being broken," recalled one member of the Benson deal. "But there was concern that some kind of decision be maintained." In fact, McCrossen's leading note said: "The credibility of the committee and parliamentary reform is at stake. We must not let this turn into a no."

During the evening hearing, the committee members questioned the Benson executives on details of the Tricon deal. They also focused on transactions between Genstar and Canada Permanent in the months immediately following Genstar's purchase of the company for \$200 million. Genstar executives revealed that between 1981 and 1983 Canada Permanent paid Genstar \$156 million—\$87 million in cash and the rest in shares—for a Genstar mortgage portfolio. It also paid Genstar \$25 million in cash for several pieces of real estate. And in a complicated three-way leasing arrangement involving construction equipment, Canada Permanent effectively transferred \$25 million to Genstar through a third party. Said McCrossen, "None of the transactions is illegal, all of them are commercially justified. But the effect was that the depositor's money was used to buy their own company. It's these sorts of transactions which the finance committee is objecting to."

Meanwhile, the use of the summons had an unexpected impact. After several newspaper stories appeared outlining the rare use of the summons, committee members had begun receiving calls from senior business people eager to support their stand—and to point out at least one potentially sensational case of abuse of power by corporate conglomerates. Among the cases that, at least on one occasion, the head of a large Canadian company ordered the executives of a trust company which it controlled not to advance business loans to a competitor.

Another allegation about another kind of abuse of corporate clout: that a senior officer of a well-known syndicate pressured an executive of a major Canadian bank and told him that he would lose a great deal of the compa-

ny's banking business if the bank proceeded with a contemplated action. Since they have learned of these charges, several members of the committee have been trying to confirm them. Several of the story say they recognize that the allegations are potentially explosive: "We've got to be prudent," said Allaire.

Even if the charges are proven to have substance, the committee's task will be a difficult one. The debate over corporate concentration has traditionally preoccupied the Canadian business establishment. Currently 50 conglomerates—eight of them controlled by individuals or family groups—control 35 per cent of the Toronto Stock Exchange

surge of public pressure arising from "an unbelievably outrageous scandal" might force Ottawa to act against conglomerates.

The committee is also fighting against time. Parliament will adjourn for the summer at the end of June, and McCrossen is expected to introduce legislation regulating financial institutions soon after it resumes in September. "We have to make our point," said Nicholson. "We're going to have to make it now."

The testimony of Bernard Gherl could make a turning point. As the chief executive officer of Cadillac Fairview, Gherl is associated with another set of Bonaventure brothers—Ridge and Christie—who also control the St. Lawrence. Last Cadillac Fairview owns more than \$3 billion in shopping malls, office towers and industrial sites. Gherl, an outspoken critic of corporate concentration, told McCrossen that he does not know firsthand of cases of abuse of conglomerate power. But he added that he has "heard talk" in the business community of many cases. In at least two instances, Gherl says he is convinced that the allegations hold substance. If the committee asks Gherl to name the sources of his information, he said, he would not do so. "I think it will be well identify two senior executives. He says that both are "highly reputable individuals" with direct knowledge of the events. McCrossen said that the committee would summon the two people to testify.

The finance committee arrived at its singular determination and majority after months of hard work. Long hours spent together during hearings and travel had soon cemented ties of loyalty and mutual respect which are evident in committee hearings. Amos, who has 25 years of experience in the finance community, and McCrossen, an attorney who has held senior executive positions in the insurance industry, freely offered the benefits of their experience during the hearings. "They certainly expensed was invaluable," said the Liberals' Nicholson. "In many ways," added de Jong, "they educated the other members of the committee." The pragmatism and independent-minded Liberals encouraged co-operation. "When his own party members become overly partisan he's just as willing to cut three off at the knees," said non-union member and New France critic Nelson Sita.

With few resources and little government backing, the committee has turned its battle against corporate concentration into a crusade. Its target is the Canadian establishment itself.

—NANCY CLARK in Ottawa



Gherl: star of a "sensationalist debate."

306, a composite index of the major publicly traded Canadian companies. But there has been little pressure on governments to restrict conglomerate growth. "The reach and influence of these companies is extraordinary," said William Shabery, a professor of competition policy at the University of British Columbia. "But the fact is that, historically, Canadians simply didn't see concentration of power, either public or private." He added that only a

The teller who rose to chairman

By Peter C. Newman

He is the last, the very last teller to become the chairman of a major Canadian chartered bank. On June 1, Allan Taylor, who joined up at 16 as a junior clerk in Prince Albert, Sask., in 1929, takes charge of Canada's largest financial institution, the \$200-billion Royal Bank of Canada.

The wave of financials an astonishing climb to the top for the high school grad who fought his way up the banking ladder, winning 23 promotions in the past 36 years. "When I look at the people who work around me now," Taylor said me before he took the new job, "they would find it difficult to get into management training programs without a university degree. I suppose that the one thing that helped me most was my interest in international affairs. It was developed by a history teacher who made me study Thucydides and asked us questions to draw on some interest in what was going on in the wider world outside Saskatchewan. We didn't have Maclean's in those days."

Although Taylor moves up at a time when the banking industry is under attack, the Royal has demonstrated amazing growth, currently ranking as the sixth-largest bank in North America. Its first-quarter 1986 income, at \$148 million, was its highest ever, and the newly named chairman is optimistic about the future, even in a world of rapidly expanding competitors such as the financial conglomerates created by the recent Imasco-Genstar deal. "It'll be a while before Libman's tells us that he's laughing all the way to the financial conglomerates," he jokes.

Coincidentally with the Taylor appointment, the Royal is totally restructuring its top management, doing away with the office of chief operating officer (held by Taylor since June, 1985) and substituting a seven-member executive committee that will form Canada's first banking cabinet. The group—Mike Milne, Joe Briggs, Geoff Sykes, Bob Pearson, Brian Gregson—will work with John Coghlan, the Royal's new president and sophisticated whirlwind of Canadian banking, who is presumed to be Taylor's chosen successor.

An chairman of the Canadian Bankers' Association, Taylor was at the centre of last year's failed bid to take the two Alberta banks. "Given the circumstances of the day and the infor-

mation we had, and especially the loaded time frame we had to operate in," he now says, "I would probably do what we did again. But given the information we have today, I would walk away from it." He is particularly bitter about the \$156 million the Royal put into the bailout package which Ottawa now refuses to repay, although he claims he got the promise to refund it in writing.

He feels strongly about the need for



Taylor: an astonishing climb to the top

regional banking. If not regional banks, "I'm from Saskatchewan," he says. "I grew up with the God damn cow. I know about these things. But there is a great deal of misconception about how national banks operate on a regional basis." He cites figures to show that the Royal means deposits into the West instead of taking them out, and he claims that his bank gives its regional managers the highest discretion in terms of lending limits (Taylor would not officially confirm

what these limits are, but the Royal's district managers are believed to have full authority for loans of up to \$10 million, after that, loans beyond policy matters that have to be approved by head office).

One problem facing the Royal is its high level of nonperforming loans, particularly in the petroleum industry. Its debentures were recently downgraded by the Canadian Bond Rating Service to Baa1 from Aaa. In addition, Royal expects to lose at least \$800 million in bad loans during 1986. Taylor's attitude to Barbara McCrossen's intended reforms of the financial system isn't quite, "If it ain't broken, why fix it?" because he believes that the system can be long run. Taylor would like the regulatory structure rebuilt to take in the banking companies that control financial institutions. He sees the potential for self-denial and conflicts of interest as very real dangers, but would not want to create an overregulated environment that might kill overall growth.

"The bank's critics," he points out, "claim that we are the 'polar' which dominates the entire industry. They talk about strengthening the weak by weakening the strong, by leveling the playing field. What they really mean is leveling the players."

Although he began as one, Taylor doesn't see a great future for balance within the banking system, with machines and fewer branches cutting down their effectiveness. He says that they will be converted to more interesting jobs instead of being turned out, but there is almost certain to be a union assault against the Royal during its term of office. "We're being accused of taking the hands off the reins of our own industry," he says. "To deny our workers the right to have the unions represent them," he complains. "But at this point we find that almost all of our employees prefer to represent themselves, and we work pretty hard to let them know they've got the opportunity to talk to management."

Banking loans will be expanded, the industry will fight hard to retain its dominance and the Royal will have to grow faster than ever just to stand still. But Allan Taylor, the last of the tellers to make it to the top, takes on his new job with no great misgivings. He would like to see the realign of our kind to Canadian still feel when they enter those marble corridors where he intends to turn the Royal into a user-friendly bank.

Actress **Loretta Swit** objects when people identify her with *Mai*, Margaret Hootkin, the role she played for 30 years on TV's *M*A*S*H*. Interviewed in St. Croix in the U.S. Virgin Islands where she was making a TV movie called *Dreams of Gold*, Swit declared, "Ain't Ma can go off and do movies. *Mary Morgan* has a popular new show, *Maeby's* *Maeby*. But people keep linking me with *Hot Lips* and it gets me crazy."

Artist **A.J. Cassese**, the surviving member of the Group of Seven Canadian painters, celebrated his 88th birthday last week as the guest of honor at a fund-raising benefit in Toronto for sufferers of Alzheimer's disease. Cassese, who also helped to organize and publicize the event, has a special concern: his wife, Margaret, suffers from Alzheimer's, a progressive degeneration of mental faculties. Recently, he said, "I came down for breakfast one morning and found *Diana* reaching the ceiling from a pile of bones that she had left on high." Cassese has stopped painting because his wife needs constant care and supervision. But he declares, "I'll keep looking after her until she no longer knows me."

Former Montrealer **Genevieve Bujold** has starred in two of writer-director *Alan Parker's* films—1983's *Chorus* and the controversial comedy *Twinkle in Wind*, which opened across Canada last week. The 43-year-old actress, whom *People* magazine described as "irresistibly loopy" in her *Twinkle* role, says that she keeps working with *Ridley* because his movies

Report: "Irresistibly loopy" as *Ward*



Swit: getting away from *Hot Lips*

remind her of the films she made in Canada with former husband **Paul Ansdorff**, she said, "in lyrical," and she added some poetic comments of her own: "He laughs at love, love that is joyful, that is lovely, that is full of depth."

Because terrorist threats kept most American stars away from the Cannes Film Festival, the unheated woman had two Israeli cousins: **Menahem Golan**, and **Yoram Globus**, co-owners of the Cannon Film Group, Hollywood's largest independent film production company. And as the girls went off last week, the two filmmakers announced that they had bought the rights to disco entrepreneur **Rhonda's** autobiography and were negotiating with **Joan Collins** to play the lead. They also confirmed a recent rumor that **Harrison Mulder** will write and star in a movie version of *King Lear*. Declared Golan, "After all, Mulder has

two daughters and has led a crazy life."

Their father is the legendary renegade of rock, **Frank Zappa**—and daughter **Moon Unit Zappa**, 18, and son **Dweezil**, 16, have evidently inherited both their father's interest in music and his easy approach to life. Actress **Moon Unit**, who popularized the teen subculture of California's San Fernando Valley with her 1982 hit, *Hiding Out*, and currently stars in TV's *Fast Times*, consults with psychiatrists regularly but says, "It's scary living in a world where you have a halfway chance that you'll die through the earth, then be told by a psychic that you won't have a date until you're 22." Singer/guitarist **Dweezil**, who had a one-line role in girlfriend **Molly Ringwald's** current movie, *Pretty in Pink*, and has just recorded an album, *Having a Bad Day*, says that he will be as original as his parents when he names his children: "I'm going to name my kids after kitchen appliances," he says—*as in*, "This is my son, *Toaster*."

At 45, the elder Zappa says that he considers himself an inventor whose methods have matured. Although he once used whistles and whoopee cushions to get the sound effects he wanted, he now composes on a \$800,000 computer called a *Synclavier* which he says stimulates the need for ingenuity. He-re-brained orchestra. He adds that he has no regrets about giving his children such unusual names (his other two are **Anast**, 12, and **Olivia**, 9) because, "it's the last name that gets you into trouble." As for young people wanting to get into music, the former self-proclaimed



Dweezil (left), Moon Unit Zappa, and Toaster, too

Frank King of Rock offers this advice: "Get a real inside source. That's to pay the bills. And if you want to make money, get a whoopee."

—Edited by MARK MOYER

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Fallout from a disaster



Mix-testing in Ottawa: a concrete block, an inevitable cloud and radioactive food

The Soviet Union prepared last week to build a concrete tomb around the remains of the highly radioactive core of its destroyed Chernobyl nuclear reactor. And around the world scientists continued to monitor the invisible cloud of radioactivity that has cloaked much of the planet in the wake of history's worst nuclear accident. In a televised speech

dismissing gases into the atmosphere on April 26, would have a devastating effect on the world outside the Soviet Union. The lack of information from the Soviets and a great deal of speculation from Western scientists had created a storm of rumors. However, Atomic Energy Control Board president Joe Jenewegen said that the nuclear levels of radioactivity found last



Michael's chief medical aid

week were harmless when compared with the levels recorded before the 1963 Partial Test Ban Treaty, which were more than 10 times higher. At week's end, American industrialist Armand Hammer had flown to Moscow to deliver medical supplies to an American specialist who will perform bone marrow transplants and treat 250 Chernobyl radiation victims now in hospital.

Arriving in Kiev, Michael's chief correspondent Ross Lower reported that the city "looked as normal as it can get." He added, "Schools were functioning, as were two factories that I visited. The streets were full, with people queuing for

bread as great as restaurants were serving coffee."

Lower said he saw no damage at the city's central railway station, a place where he interviewed municipal council deputy leader Anatoly Martynenko, the 56-year-old official dined there was very busy after the accident. Deceased Andrei Babenko, a 56-year-old apple grower who lives just outside Kiev "The cat worked at all. My apples were stored well in a shed, and before I brought them to market they were checked at a laboratory for radiation. There were no problems at all." Sotgiy Viktor Petrovich, first deputy chairman of the Ukrainian Agro-Industrial Committee, toured the contaminated farmland around Chernobyl would return to full productivity in a short time. Said Petrovich "We must not be afraid of this accident."

In his speech, Gorbachev asked U.S. President Ronald Reagan to discuss a permanent nuclear test ban treaty. Said the Kremlin leader "The accident at Chernobyl showed again what an abyss will open if nuclear war begins tomorrow." Meanwhile, one of the chief designers of the Chernobyl plant, Ivan Turchanin, said that for safety reasons the concrete block would have to remain in place for "hundreds of years." But he added that two other reactors damaged in the accident would start up again after workers had decontaminated the area.

In Moscow, Hammer delivered \$500,000 in medical supplies to Dr. Robert Gale of Los Angeles. A close friend of Soviet leaders for almost 30 years, the 57-year-old chairman of Los Angeles-based Genetel Petroleum Corp. paid for Gale and three other specialists—conducting an intensive \$5 to the Soviet capital to perform bone marrow transplants on 30 Chernobyl victims listed in grave condition. Gale said only 24 of them survived the week—bringing the death toll to 15, including two people who were killed in the initial explosion at the plant. The heavy doses of radiation the victims received destroy bone marrow—the body's source of white blood cells, which protect against infections. And late last week in Ottawa, Health Minister Epp said that while radioactive traces had been found in milk samples from Fredericton, Toronto and the Ottawa area, there was no cause for concern, because radiation levels across the country were "on a downward trend." But Epp stressed Canadian testing of milk and rainwater will continue at least until radiation levels return to normal.

—KENNETH SCAMMERS in Toronto with correspondence reports

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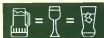
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MEDIA WATCH

Hard questions for the questioners



By George Bain

The inquiry into the Sinclair Stevens affair could turn out to be the biggest media event most media people have seen. The explanation is that all the information the probed inquiry will have to work with originated in the media. The parliamentary opposition added almost nothing. Consequently, in deciding if the former minister of regional industrial expansion did or did not maintain a sufficient separation between his private affairs and his public responsibility, the commissioner of inquiry scarcely can avoid weighing, in passing, the performance of the media. Given the power of the Inquirer Act, Mr. Justice William Parker will be able to subpoena to command their presence and demand that they speak up—over, perhaps, about secrets.

The issue began on page 1 of *The Globe and Mail* on April 20. David Stewart-Patterson, who teamed up with Michael Harris, also of the newspaper's Ottawa bureau, has said they got a tip in the effect that a bailout of the Stevens campaign had been arranged and that they should have a look. *The Globe and Mail*, in any case, was out to test whether Brian Mulroney's conflict-of-interest code for cabinet ministers was as good as he said it was. With the tip, Stevens became the test case. Stewart-Patterson and Harris had been working pretty well full time on the story since March.

An earlier story from the same researchers about York Centre Corp., a Stevens company, having negotiated three loans from Bank Canada in 1984, caused multiple excitement. Stevens in 1980 was in opposition. The loan, \$24 million, has been subsequently paid off since. Even the fact that the parent bank in Korea was partly owned by the multinationals industrial group, with whose accounts offshoot Stevens had been dealing as industry minister, evidently struck oppositionists as a long reach for conflict-of-interest material. The fable began with the story headed "Stevens' wife got year of free interest on loan."

The story said Norman Stevens had got from Anton Czapka, a former associate of Magnus International Inc., a \$2.6-million, five-year mortgage on some properties. The loan was to be interest-free for a year and 12 per cent (the going rate was 11.5-11.75 per cent) thereafter. The latter, however, was that Czapka loaned \$2.6 million, not \$2.6 million (thought were worth \$2.1 million, and which he expected to increase

in value with rises in rents, and that he would get half any profit.

I tried not the globe's facts on three real estate—most important, however, two, two of them unknown to me until that moment. The purpose was to see if this was a sort of sweetheart deal that would give the lender, Czapka, still on Stevens for a reciprocal favor if he were so minded. The first information said, "A perfectly reasonable business deal. These kinds of things are done all the time. When I read it, it didn't seem to be out of line at all. I could see myself doing a deal like that." The second said that, taking everything back to the lender's after-the-fact position, "It looks like a good deal for the lender" even in the worst case, with the prospect as the host of a capital gain far outstripping any loss of interest. The third, a lawyer, said he would want his own appraisal made before speaking.

If none of the coverage of the Stevens affair was wrong, none either seems altogether right—not at least in its implications

The Globe and Mail also reported the lender saying that he expected to make money. The newspaper did not attempt an outside assessment to see if the deal rang commercially true. Globe Managing Editor Geoffrey Stevens told *Maclean's*: "The terms of the loan that Mrs. Stevens secured are not the issue. The *Globe* was not suggesting corruption but rather conflict of interest." The one fact that stuck out in the story was that a minister's wife had got a gift of a year's interest on \$2.6 million. Except to say that Frank Stevens, chairman of Magnus International Inc., had been approached by Norman Stevens and "refused to get involved"—Stewart-Patterson said he was asked only for advice and gave it as a friend—the story only by implications related the loan to any dealing of Magnus with the government. A Canadian Press story by Tim Macleod and Robert Fife, on page 1 of *The Globe and Mail* on May 8, drew a closer connection between loan and government credits, interchangeably via a son of Anton Czapka, Peter, whom CP described as "a senior executive with an acute political acumen." Mr. Stevens has awarded millions of dollars in federal aid." It is a subsequent story, CP

reported that Anton Czapka himself was a vice-president of the same Magnus division, called Multinational, and, at the same time, the "offshore" in federal aid to \$260,000.

Neither this story nor any I saw noted that relatively few applications for loans or grants from Regional Industrial Expansion reach the senior minister—most information and inquiries are attached to the same department—and those that do pass first through an internal board of officials and an economic development board made up of about half a dozen cabinet ministers. That process, instituted by Stevens soon after he took over, is not one calculated to make conflict of interest easy.

The story that broke the government's book was by the Toronto Star's Diane Francis, on page 1 on May 9. It began "Some big Bay Street brokerage firms, eventually hired by Sinclair Stevens to work for the federal government, were asked beforehand to help raise \$5 million in order to bail out the minister's private company." The final paragraph—35 paragraphs later—acknowledged that the three firms, three of the largest in the country, "were certainly among the Minister's candidates for these government contracts." Whether that would alter the subsidy riders' probable impression of cause and effect left by the earlier terms "eventually hired" and "were asked beforehand" is a question.

Francis makes the point that no one else could have got access to three of the country's largest brokerages and to Treasury, president of Stinson Ltd., with a guiding 10-million investment proposition. The then, was a case of Norman Stevens trading on his husband's position. Francis also says that people in business should not be made to feel hesitant to say on because of the politicians' connections—a point somewhat obscured by the fact that that was what the financiers did.

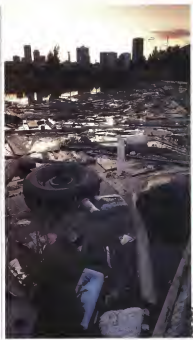
If none of the media coverage of the Stevens affair was wrong, none either struck me as altogether right—not at least in its implications. What was shown, first, was a minister's wife not being sensitive about going where she might be seen as trading on his husband's position. Second, Brian Mulroney's guidelines were shown to be less than perfect. Third, the government as a whole was shown to be heavily caught in the cross. Fourth, that he didn't resign as he was sensitive about going where he might be seen as trading on his husband's position. Second, Brian Mulroney's guidelines were shown to be less than perfect. Third, the government as a whole was shown to be heavily caught in the cross. Fourth, that he didn't resign as he was sensitive about going where he might be seen as trading on his husband's position. Second, Brian Mulroney's guidelines were shown to be less than perfect. Third, the government as a whole was shown to be heavily caught in the cross. Fourth, that he didn't resign as he was sensitive about going where he might be seen as trading on his husband's position.

IN DEADLY PLACES

Scientist Douglas Hallett, 37, has devoted his career to publicizing the threat of toxic chemicals in the environment. Late in 1988 he disclosed that heering golf eggs in the Great Lakes were contaminated with 2,3,7,8-TCDF, a form of dioxin and the most potent man-made poison in existence. Last fall Hallett tried to get police with an even more troubling report—that since all the food eaten in southern Ontario is contaminated with toxic chemicals. But then his superiors at Environment Canada's Ontario office barred him from telling to the press without permission and ordered all his calls to be screened. Hallett, who was already upset by the government's policies, resigned. Said Hallett, "It seems acceptable to worry about fish and gulls, but when it comes to humans—well, governments have difficulty listening to these problems." However, the International Joint Commission (IJC) and Toronto's Board of Health planned to release Hallett's controversial report on food contamination this week. It is likely to become another landmark in Canadians' slowly evolving understanding of the toxic threat.

Atmospheric Hallett argues that the government, initially at least, was reluctant to publicize the report's message that living far from pollution sources and drinking bottled water are no solution; a sufficient defense against the invisible spread of toxic chemicals. For his part, Environment Minister Thomas McMillan has criticized Hallett sharply since his resignation. But in recent weeks McMillan has sounded alarms of his own about toxic waste. Last week McMillan released a document called *The State of the Environment Report for Canada* that gave the country a grading of F for its handling of toxic waste and that added that toxics were "emerging as Canada's number 1 environmental problem" in a news conference. McMillan declared: "Our handling of toxic chemicals is absolutely appalling. Each of us must bear the burden of cleaning it all up."

Unlike the sulfur dioxide and nitrogen oxide emissions responsible for acid rain, the sources of the estimated 1.3 million tons of hazardous waste that pour extruded into the Canadian environment are incredibly diverse. Not all of the material comes from costly pro-



cessed industrial sludges. Much of it leaks undetected from abandoned landfills. As well, many methods of disposal currently in use return as many toxins to the environment as they remove. Such stored poisons as polychlorinated biphenyls (PCBs) and chlorinated benzenes evaporate rapidly from industrial lagoons. And clouds of low-temperature incinerators burning sewage sludge shoot the toxic chemicals it contains high into the air. Said Donald Chou, a senior Canadian environmentalist and chairman of the previously owned Ontario Waste Management Corp.: "The solutions to acid rain are rather more simple than the job of removing the tons of thousands of han-

dreds have been directed in the city's treated drinking water. Of those, 35 are known to cause cancer in animals or humans. City officials are considering building expensive new treatment plants to deal with the problem, but the report stresses that contaminated drinking water is only part of the problem. Restoring it to purity, it says, will eliminate less than one per cent of all the major contaminants. The vast majority of the city's three million residents' largest exposure to chemicals is food. Said Hallett: "This is a definitely more serious than acid rain, a far more serious problem for wildlife, fish and humans. Everyone is contaminated, no one escapes."

salience applied, or so vague that it can't be applied."

Only Alberta and Ontario have plans for modern treatment and disposal plants for toxic wastes. Federal inspectors stalled recently in British Columbia, and Quebec has only completed preliminary research on a plant that will serve the province and Atlantic Canada. But even under Ontario's tough new regulatory regime, 1.5 million tons of hazardous waste pour into the environment, without treatment, each year. Said James Kaufman, assistant director of the U.S. Environmental Protection Agency (EPA) hazardous waste division: "Canada is 10 years behind the United States in this field. As



McMillan's Lankers (left); McMillan (above); toxic cleanup (right); 35,000 man-made chemicals in circulation

serious water from the environment."

Cancer: Hallett's report, commissioned by the IJC and authored by Dr. Kate Sherwin of the Toronto health department, shows how the 35,000 man-made chemicals in the environment travel through the air far from their source and back, by leaching in crops, food, they pollute food supplies. The document drew an date collected over 15 years and examined 100,000 items in food collected randomly at supermarkets around Toronto. According to a 1983 report by the environmental group Pollution Probe, traces of 53 chemicals

So far, government responses to such intractable and potentially explosive problems have been fragmented and sporadic. For one thing, regulating toxic waste is largely a provincial responsibility, and the laws vary widely from jurisdiction to jurisdiction. Federal involvement is restricted to regulating wastes crossing provincial or international borders—although environmentalists have long urged successive federal governments to take a more active role. As a result, says federal Environment Minister McMillan, the law is "wider to discretion than it is

our laws get stronger—and they are getting stronger fast—Canada is being left in the dust."

Laking: The most serious toxic threats are located in Ontario and Quebec, the country's industrial heartland. Ontario's "chemical valley" on the five miles of the St. Clair River south of Sarnia became a hot spot last summer when Dow Chemical Canada Inc. spilled 5,500 gallons of perchloroethylene, a dry cleaning solvent, into the river. Subsequent research showed that both before and after the spill toxic chemicals were consistently laking into

the river, and scientists were unable to rule out the possibility that the dissolved sludge found on the river bottom was coming from a deep cavern that few had used to store wastes for more than 40 years. There are eight billion litres of toxic waste stored in 16 such wells in the area, and last fall Environment Canada scientist Daryl Cowell said that if they were leaking, they could create one of "the biggest hazards

But despite almost weekly resolutions of new toxic waste problems, the political obstacles to an effective cleanup remain formidable. After six months of negotiations, Milliken acknowledged last week that he had been unable to conclude a satisfactory agreement with U.S. authorities on a Niagara cleanup. For his part, Ontario Environment Minister Jim Bradley bluntly criticized the agreement, which

few large plants responsible for 80 per cent of the toxic effluent in the river. As well, the city of Montreal does not treat its human sewage at all. Milliken said that successful prosecutions of industrial polluters in Quebec "could be counted on the fingers of one hand." He added that the resulting fines—ranging from \$1 up to only \$25,000—have been "too weak as to constitute a deterrent to pollute."



Hamilton steel mills: much of the hazardous waste pollution does not come from newly prohibited industrial discharges

one waste problem in North America."

Cleanups: The Niagara River, which flows into Lake Ontario—the source of drinking water for four million Canadians and one million Americans—already holds that dubious distinction. There are 404 U.S. waste sites—and 600 Canadian—within five kilometres of the Niagara River, 38 of which are known to be leaking toxins. In 1984 the Niagara River Toxic Committee said that 2,650 lb of so-called "priority pollutants" entered the river every day. The eight-member committee, which includes both U.S. and Canadian scientists, tested 90 per cent of the pollution at sources on the U.S. side of the border and noted that one leaking U.S. dump alone contains 3,000 lb of dioxin. And last week the Ontario government discovered the highest levels of dioxins and chemically related substances ever recorded in water draining into the river from a sewer leaking from an Ontario Chemical Corp. plant near Buffalo, N.Y.

so far include no definite deadlines, and has no provision for the cessation and destruction of the stored wastes. Although he once spoke strongly in favour of such measures, Milliken angrily denounced the Ontario government last week for refusing to endorse his compromise deal with the American. Last Thomas Reid McMillan, "I can't go down to Washington and browbeat President Reagan."

Sewage: The St. Lawrence River near Montreal is a purely Canadian body but spot. There, more than 1,400 industries pollute a river that McMillan says is "in some places little more than in open sewer." Almost 300 heavily dioxin-contaminated wastes directly into the river, which

disgusts their limited industrial base, the Atlantic province have even fewer controls. Almost a century of unregulated discharges from the Sydney Steel works in Cape Breton has polluted Sydney harbor with sludge containing chemicals known as polynuclear hydrocarbons, several of which are known to cause cancer in animals.

Dangers in the West: Alberta next year will become the first province in Canada with a comprehensive waste disposal system when it opens a \$40-million plant in Seneo Hill, a town of 2,000, 130 km northwest of Edmonton. Its purpose is to handle 30,000 tons of hazardous waste each year, including PCBs, farm, plastics and storage sites in the province.

Kidd drinking water



There are no similar facilities planned for British Columbia. There, the worst pollution is concentrated along the Fraser River, where sewers use the dangerous chemical chlorophenol to preserve wood products. In several old plants, spills of the chemical into the river and the use of outdoor tanks from which it evaporates into the air have polluted the Fraser estuary near Vancouver. Said Environment Canada communications officer Kenneth Wile, "We have noticed an increase of chlorophenols in the Fraser River ecosystem, and that includes sediment, fish and water. It is a serious problem, and we are quite concerned about it."

The persistence of such pollution belies the fact that currently available methods of removing contaminants from the environment are as advanced as the techniques for detecting them. As a result, such large companies as the Steel Co. of Canada already treat and recycle much of their own waste on their premises. In Alberta industries already dispose of half the hazardous wastes produced—with the Swan Hill plant scheduled to destroy the remainder. For one thing, such inorganic wastes as mercury, arsenic and chromium can be recycled as catalysts, thus safely stored in landfills. Said Thomas Pienkowsky of Environment Canada in Burnaby, B.C., a waste-treatment firm. "There is no magic to treating waste. The United States has been doing it for years, so has Europe."

Refrains: The fact remains that Canada has not adopted the latest technology to combat its growing toxic problems, and that failure is most apparent in the handling of PCBs. Compounds of hydrogen, chlorine and carbon, PCBs were the wonder chemicals of the 1930s and 1940s and have been used in the production of dozens of products, including ink, plastic and carbon paper. But although American and U.S. researchers first identified PCBs as a threat to human life in the 1960s, Ottawa did not restrict their use in Canada until 1977. Even then, the law did not call for the removal of existing PCBs, and more than 60 per cent are still in use—largely in a makeshift way. Used to cool electric transformers and capacitors. Of the approximately 30,000 tons still in existence in Canada, only 6,000 are now in storage, awaiting disposal in incinerators capable of attaining the necessary temperatures of 1,200°C—but so far no such facilities have been built in Canada.

One of the most serious incidents in Canada involving PCBs occurred last spring when a transformer exploded in a Galted truck spilled PCBs over a 30-km stretch of the Trans-Canada Highway near Kenora, Ont. As a result, an Ontario provincial court judge listed a



Niagara River dump: 25 U.S. sites near the river are making deadly wastes

\$50,000 fine against Edmonton-based Kinetic Ecological Resources Group, although none of the waste disposal company's executives attended the trial. Indeed, Kinetic president Gerald Gerke said the company to the Alberta government shortly after the verdict for \$44 million.

Regulations: Still, even effective technology is inadequate without strong political support. That is most evident in the treatment program offered by Stobie Canada Inc., 25 km north of Montreal in Riverview, Que. The company's three-year-old plant was a patented British technology called "Reclaima" in which hazardous user wastes in chemical jerrycans of synthetic milk Tins, workers bury the untreated waste in a 325-acre landfill

near the plant. The technology represents the most effective way of disposing of such persistent toxins as cyanide, chromium, lead and arsenic. But Stobie vice-president Pierre Giesler says that the plant has not met its production target of treating 100,000 tons of waste per year. The reason, according to Giesler, "There is a certain cloven on the part of the Quebec government to enforce its regulations governing toxic waste disposal." Giesler added that the company would pay as much as \$200 per ton that Stobie charges to dispose of waste when they could simply dump hydrocarbons into local sewer systems.

Indeed, Giesler told Macdonald's that much of the company's business comes from the United States. There, govern-



Stable toxic waste storage site: rising costs, and soil erosion in synthetic rock jackets

get new federal laws make industries indefinitely liable for leaks from their landfills. And Premier "Canada in five to 10 years behind the United States in terms of environmental laws and their application."

Even in Ontario, where Environment Minister Bradley has proposed the country's toughest toxic waste regulations, the year-old Liberal regime is still sending out mixed messages on pollution. Although Bradley's ultimate goal is to remove all toxics from the environment, five Ontario landfills will still accept untreated liquid wastes from factories. And Ontario still allows contaminated solid waste to be used as landfill in numerous sites around the province.



Gordon McMillan

And yet, even the most stringent regulations can miss often-severe pollution from inconspicuous sources. That problem is familiar to city engineers across the country, who deal increasingly with sewer systems destroyed by acidic wastes clandestinely dumped by small and medium-sized polluters. In Toronto alone, two electroplating companies, B.E.S.T. Plating Shoppe Ltd. and Atron Manufacturing

Ltd., have consistently defied court orders to stop dumping toxic waste—including cyanide and chromium—down sewers during the past four years. The courts fined B.E.S.T. \$67,700, but the company paid only a few thousand dollars and closed operations last February. John has paid half of the \$50,000 in fines levied, and city lawyers are seeking an Ontario Supreme Court order for the balance owing.

Search Despite the magnitude of local and regional problems, most environmentalists look to the federal government to lead Canada's toxic cleanup. And McMillan told *Maclean's* that he wants to demonstrate "leadership and moral authority and commitment" in dealing with toxic waste. In part, he is striving to repair damage that occurred before he returned to power. Suppose Brian Gossone, an environment minister last August. When he held the job, one of the new government's first acts was to strip \$33.1 million from the department's budget, cutting such programs as Hallett's poll-pay program and a federal commitment to build a \$25-million technology centre in Guelph, Ont.

result, according to Pollution Probe researcher Joanne Kidd, is that Canada suffers "such a fundamental lack of knowledge about toxic it's mind-boggling." Hallett says that the department is "winding down," and James Kungah, his former boss in the department's highly praised cleanup office, told *Maclean's*: "We have been decimated in staff. We are suffering attrition to the absolute limit."

Emergency Still, McMillan insists that the Conservative government's commitment to environmental issues is substantial. In support of that claim, McMillan told *Maclean's* that he wants to follow a US example and create a \$100-million "superfund" to speed toxic cleanups across the country. According to the minister, the fund would provide money to deal with an emergency—like the 1978 evacuation of a Niagara Falls, N.Y. kindergarten that had been built over the deadly chemicals dumped in the Love Canal by Hooker Industrial and Specialty Chemicals.

That crisis prompted the US government to begin a \$1.6-billion cleanup of deadly waste sites throughout the country. And by modelling the Canadian cleanup on the so-called superfund, McMillan says he hopes to get most of the money through voluntary contributions from industry. At the same time, he is also planning a new environmental protection act designed to provide Canadians with "the environmental bill of rights" as well as to "bring some order to what is already and often is environmental law in the country."

McMillan plans to increase Canadians' awareness of the country's chemical environment with a \$1-million media blitz marking the first week of June as "Environment Week." Despite criticism that the money could be better spent, many environmentalists say that complacency and ignorance about pollution are more formidable barriers than finding effective methods of cleaning up the environment. That restoration will cost billions of dollars. But delaying the fight against the toxic menace will be even more costly—and paid for by the ruined health of children living in a poisoned environment.

—JENN BARBER AND DEANE LUDWIG in Toronto. JEAN LUDWIG is Managing Editor, LISA LUDWIG is Toronto, JANE PETER is Montreal and KATHY BURNETT is Halifax

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THE SCIENTIST AS MEDIA STAR

SPECIAL REPORT

In a way of life marks Douglas Hallett and the kind of man whose views are often discussed by more conventional scientists. For one thing, he is a farmer with his wife, Jennifer Elletson, and two young sons he raises atop on a 180-acre spread in Acton, near Toronto. Round volumes of all seasons of the back-of-the-head response Hallett makes sit in the living room of the family's old brick farmhouse. The couple's only ancient luxuries are in the barn, where they maintain two tractors. The kitchen is stocked with seasonal foods and every night the beginning of a post-cold-free apple orchard.

That close involvement with nature fuels Hallett's passionately held and often controversial opinions on the dangers of living in a chemical society. But few qualified opponents have attacked the validity of his scientific work. The 37-year-old toxicologist has published 46 scientific papers and received numerous awards, including a 1984 United Nations Silver Medal for Environmental Stewardship, for research on pesticides in the Niagara River—a watershed which reaches up to nine tons a day of toxic waste, almost all of it from leaking dumps and industrial and municipal sewers in the United States. Declared Ontario Environment Minister James Bradley: "Dr. Hallett has provided a service to Canada by telling us about these things. He is an authoritative person, not some middle-man without credentials."

Bias: That opinion is not shared by federal Environment Minister Thomas McMillan, who criticized Hallett for his desire to be "a media star" shortly after Hallett resigned from the department last January. In fact, both views are substantially correct. Hallett is one of Canada's leading toxicologists but he is also, by his own admission, an environmental advocate who has never shied away from the public spotlight. Hallett told Maclean's: "We just really need to get on with solutions to this problem, and the only way we can do that is to let people know how serious and how widespread it is."

After he resigned his post as senior scientific adviser with Environment Canada, Hallett has taken his crusade in new directions. His fledgling Action-based company, Eco-Logo Inc., is

developing a suitable hazardous-waste destroyer that will use a high-temperature chemical process to destroy such high-boiled wastes as cancer-causing polychlorinated biphenyls. Canada banned PCBs in 1979, but the fluid is still being used as a coolant



Hallett: poison and apples.

and insulator in old electrical transformers and capacitors. And the same properties of durability that make PCBs so useful—it is chemically inert, unaffected by acids or corrosive chemicals and burns only at extremely high temperatures—mean that the toxin will continue to threaten the environ-

ment. Hallett says that such-efficient mobile units will eliminate the transport of dangerous materials to central treatment plants—and the risk of spills. His own unit will be small enough to fit in a tractor trailer.

Awareness: Hallett has been in the forefront of toxic chemical research since 1978, when he graduated from the University of Ottawa with a doctorate in environmental biology and organic analytical chemistry. In that same year, his discovery that water flowing into Lake Ontario from the Niagara River carried alarming quantities of pesticides helped focus attention on pollution in the river. And four years later his discovery of dioxin (2,3,7,8-TCDF)—an industrial byproduct and the most highly toxic of a group of 30 synthetic chemicals—is the same waters confirmed his growing international reputation. (Last week preliminary results of a U.S. Environmental Protection Agency study showed that dioxin levels in Lake Ontario trout were as high as 41 parts per trillion—more than twice the recommended safe level set by Ottawa in 1981.)

Hallett's role with the government put him in a position to understand the full extent of the toxic threat. But what worried him, in his words, "from being a scientist into an environmentalist" was a much more common experience—that of being a parent. In 1984 Hallett attended an Ottawa conference on dioxin, where he listened with growing concern as a Swedish researcher presented a paper detailing the presence of the chemical in mother's milk. During that time Elletson, who is also a toxicologist, was breastfeeding the couple's newborn son. Hallett's concern prompted him to begin investigating how humans are exposed to environmental contaminants.

Legacy: That work culminated this year with a study which concluded that food supplies—especially fruits—were the chief carriers of toxic chemicals into the human body. To Hallett, the link is clear and inarguable—and the implications profoundly disturbing. For one thing, the discovery means that even the apples grown in his orchard will still carry traces of such chemicals as dioxin and PCBs. And it means that children, who consume much more food per pound of body weight than adults, could be facing severe health risks. Hallett admits that worrying about the legacy being left for his children "is well beyond being an objective scientific statement." But he added: "This is not just an environmental problem—it is a human problem. Our children are sacred ground."

—JOHN BARRETT in Acton

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A masterful gallery of Acadian rogues

THE DRIVEL IS LOOSE!

By Antonine Maillet
(Letter & Open Design, 218 pages, \$12.95)

A Gallie less of life seeps through author Antonine Maillet's novels and plays. She brings an intense vitality to her characters of the explorers, rogues and dreamers who populate Acadia, the 400-year-old French community centred around New Brunswick's rocky north shore. Among the unforgettable characters Maillet has created are the wise, earthy charismas of her 1996 play *La Sagouane* and the poetic heroines of her 1979 novel *Piquette-de-Charron*—for which Maillet won the prestigious French literary award, the Prix Goncourt, in her latest novel, *The Devil Is Loose!* Maillet returns to Acadia with a rollicking saga of Prohibition ransackers struggling for supremacy off the New Brunswick coast.

Recently translated from Maillet's 1984 novel *Cracke-à-Pic* by University of Montreal Canadian Literature professor Philip Bouchard, *The Devil Is Loose!* crackles with language as heatedly alive as Maillet's larger-than-life plot and characters. To reflect the author's distinctive use of Acadian idioms—preserved from 16th-century French—Bouchard chose a French-accented English that English speaks deftly as Acadian.

The story revolves around an indomitable heroine, Cracke-à-Pic (which is roughly translated as Spittin'). She is a lively young woman bent on overthrowing Diaseuland, the king of Marvins bootleggers. Cracke-à-Pic tries to sea in her boss, Sea-Coe, to intercept the tyrant's liquid booty and prevent him from extending his control over Acadia. Meanwhile, Quich-silver, a handsome young dandy—and consort of the village of Sainte-Marie-de-Oléa—plots to get Diaseuland into jail and Cracke-à-Pic into bed.

Maillet shares the narrative of her tale with Old Coeur, the village storyteller. That device enables the author to face the human comedy of her plot to a wider theme: that life itself is a

story—adventure and tragedy, heroism and villainy, celebration and mourning. Beyond the escapades of her characters, beyond the tempestuous and colourful history of Prohibition and Depression-era Acadia, *The Devil Is Loose!* is a rare literary accomplishment, a book that gives the reader a sense of belonging to some grander



Maillet: tales of lust and looting on the high seas

scheme of things. For Maillet, the finest that shape destiny may be beyond human control, but they are not beyond the power of a storyteller's delight.

—LIANE DELLE

She eyes sparkling, novelist Antonine Maillet offers subversive and witty exclamations on subjects from love to children—"I have 306 children, six characters"—to smoking—"It only bothers me when I'm eating lobster." Charming and ebullient as one of her

Acadian heroines, her warm smile features and translucent skin are illuminated by an apparently boundless energy. Indeed, at 50, Maillet shows signs of resting on the laurels—national and international—that she has gained from a literary harvest of 20 books. Since 1979, when she became the first North American to win the coveted French literary award, the Prix Goncourt, Maillet has added to what was already a prodigious output. She produced five books in the five years since the award, and 1988 is turning out to be a banner year. Toronto-based Simon & Schuster is publishing *The Daughter of Gille*, an English translation of her 2013 novel *Marcopelle*. Toronto's Letter & Open Design has just released *The Devil Is Loose!* And this fall Maillet's latest novel, titled *Le Marinisme Jure* (The Eighth Day), will be published simultaneously in France and Quebec.

For most of each year, Maillet lives in Maynard's Outremont neighborhood on Avenue Maillet Avenue—named in her honor shortly after the Goncourt win. But last week she flew to Montreal to judge the Prix Monnaie—the only woman on the 15-member panel. Next month, she returns to the attic in a renovated light-house near Montreal, N.B., where she spends her summers. In August, a new play, *Comptine en pur air* (Flying into Paradise), is scheduled to premiere at Montreal's Théâtre du Rideau Vert in October. And in midsummer she will represent French Canada at the Commonwealth Writers' Conference in Edinburgh, with Margaret Atwood as the English-Canadian delegate.

Maillet says that her busy schedule is partly a response to her sense of what is expected of a Goncourt winner. She added, "On compte, with a prime prize as confidant, as well as the necessity to continue working. But there is also an amazing feeling of having to meet a very high expectation, and that takes a lot of time and work to deal with." But for Maillet there is always a force more powerful than fulfilling other people's demands—and that is the love of telling a great story.

—LIANE DELLE in Toronto

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Mushrooming mandarins

IMPLICATIONS
By Nicole Morgan
(*Institute for Research on Public Policy*, 160 pages, \$20.00)

Between 1918 and 1984 the population of Canada tripled—but the number of federal civil servants swelled from 50,000 to a staggering 250,000. In Nicole Morgan's fascinating study *Implications*, the Ottawa consultant peers into the past to discover why the bureaucracy flourished through boom times and bad times—and why it is now losing touch with society. The result is a devastating chronicle of human frailty both within the bureaucracy and among the generations that sustained its growth. As Morgan observes, "Bureaucrats are the survivors of the societies they happen to be in, and no one really likes what he sees there."

Morgan concentrates on the period since 1945, when the two largest bureaucratic growth spurts occurred. Between 1945 and 1955 the federal public service nearly tripled to accommodate returning veterans. And from 1965 to

1975 it doubled, mainly to make room for the baby-boom generation. Morgan speculates that the civil service has now become society's main employer of surplus workers. She also demonstrates that the bureaucracy met varying government demands by simply adding more employees. When the

'A devastating chronicle of human frailty in the bureaucracy and among the generations that nourished its growth'

budget deficits of the 1980s forced cutbacks, bureaucrats could not cope.

But Morgan does far more than string together numbers; she deftly sketches the attitudes of successive generations of bureaucrats. In deliciously unbuttoned prose she describes the ease with which Second World War veterans adapted to the

quasimilitary civil service of the late 1940s. By the late 1960s the tentative optimism of the baby boomers swung the bureaucracy toward liberalism. Consider Morgan: "The 1970s gave human nature a black cheque."

The book is best when it examines the growing rift between management theory and reality under the leadership of then-prime minister Pierre Trudeau. Morgan argues that the "Trademarks" reshaped bureaucratic process at the expense of common sense—and wrongly assumed that the public sector could function with the same notions of productivity as the private sector. The result was a bureaucracy that could not control internal rivalries—or forestall such glaring structural problems as the ballooning of management: 56 per cent of male civil servants in Ottawa are now middle managers, and some departments have more senior employees than junior ones. The bureaucracy cannot add more jobs to remedy those imbalances because of the Conservative government's plans to trim 15,000 jobs by 1990. As the crisis continues, Morgan's timely history should be required reading for bureaucrats and politicians—as well as the voters whom they are supposed to serve.

—MARY JANKIN

Anatomy of a murder

REASONABLE DOUBT: AN INVESTIGATION INTO THE ASSASSINATION OF JOHN F. KENNEDY

By Harvey Hurt
(Doubleday, 352 pages, \$20.95)

No event in the past four decades has transfixed Americans more than the Nov. 22, 1963, assassination of their charismatic young President, John Fitzgerald Kennedy. Not two days after Kennedy's death the public's initial shock gave way to growing doubts about the guilt of accused assassin Lee Harvey Oswald—when he too was murdered, in front of television cameras. Since then, a stream of books and movie investigations has fuelled the questioning. Indeed, opinion polls show that only one in five Americans now accepts the official account of the 1964 Warren Commission report that Oswald acted alone in killing Kennedy. Harvey Hurt's exhaustive review, *Reasonable Doubt: An Investigation Into the Assassination of John F. Kennedy*, can only deepen suspicion. A freelance investigative reporter, Hurt has written what amounts to a skeptic's guide to the Kennedy case.

The author dissects the official story, pointing up a host of contradictions, omissions and official blunders. He also introduces fresh evidence of his own—including interviews with eyewitnesses—that further shakes the Warren Commission's single-assassin theory.

Hurt points out that expert riflemen have had difficulty firing Oswald's bolt-action Mauser-Karcano rifle as quickly as the official version says he did—let alone hitting a moving target 600 m away from the seventh floor of the Texas School Book Depository. Hurt dwells at length on the so-called "Magic Bullet" which the Warren Commission claimed had inflicted multiple wounds on both Kennedy and Texas Gov. John Connally. Yet the lone bullet showed no expected signs of damage on its tip. And Hurt questions why the Warren Commission failed to investigate thoroughly the links between

rightist owner Jack Ruby, Oswald's assassin, and escaped crime.

The author marshals his evidence coolly, but his contempt for the official story is pervasive. At the same time, Hurt weighs and then dismisses many of the alternative conspiracy theories about the assassination. Windy, he avoids offering any definitive theory of his own, concluding that the conflicting

evidence "has become so impenetrable that no single theory, no final answer can break free to stand unchallenged."

Instead, Hurt calls for the establishment of a special investigative unit for the case, similar to the seven-year-old justice department team set up to track Nazi war criminals. If given access to the still-secret archives of the Central Intelligence Agency and other government agencies, such a unit could shed light on the cataclysmic events of 1963—perhaps finally resolving the world's "reasonable doubt" about John F. Kennedy's murder.

—GEOFF GEFIN



Kennedy questions

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BOOKS

The sins of the fathers

A FAMILY MADNESS
By Thomas Kennedy
(Lester & Orpen Downes,
256 pages \$19.95)

For decades after the Second World War, menfolk are drawn to that hardy period because they still feel the need to make sense of it. In 1983 Australian novelist

controlled by Poland. As the Nazis invade, Belorussian nationalism, including Stanislaw, decide that the best hope of an independent Belorussia lies in self-sacrifice. When the Nazis order the execution of 8,000 Jews in the ghetto of Starevetha, Stanislaw's participation becomes a disastrous but—for him—necessary act which he describes in his journal as "the supreme test of



Kennedy: describing a complex villainy misquoting as patriotic and honour

Thomas Kennedy was Great Britain's prestigious Booker Prize for Schindler's List, a fictional account of a German industrialist who saved thousands of Jews from the gas chambers. In his latest book, *A Family Madness*, the author returns to the war—this time to investigate not heroism but a complex villainy misquoting as loyalty, courage and honour. He also explores the benefits of modern capitalism society. The fact that the two subjects never quite merge makes Kennedy's novel only slightly less impressive.

Terry Delaney is a professional Australian Rugby League player on a three-grade team. With a wife and a mortgage, he needs extra income and finds a job protecting fast-food chicken outlets for an Eastern European immigrant named Ruth Kabbels. But when Delaney falls in love with Ruth's fiery, beautiful daughter, Danella, his life begins to unravel.

Kennedy recounts the Kabbels' story through Ruth's memories of his childhood in Belorussia and entries from his father, Stanislaw's, wartime journal. On the eve of the war Belorussia is

my soul, my madness."

But the Belorussians have chosen the losing side. The German forces assemble and the Kabbels, covering up their Nazi connections, flee to Australia. Then Stanislaw's passionate nationalism lives on in his son, Ruth, and his grandchildren, including Danella. As for Delaney, he has his own fixation: Danella, for whom he suppresses his athletic career and marriage. Finally, he realizes that their relationship is doomed—that the obsessive Kabbels are history's disciples. But Delaney cannot disengage himself from the one thing he and Danella still share—a baby, whom he tries to save from the family's generations of madness.

Kennedy has a masterful grasp of his historical material. But the contrived precision of his tragedy reveals a novelist afraid of loosening that grasp for fear of losing control. Still, Kennedy's refusal to simplify the cause of human cruelty is admirable, even if it means he is unable to satisfy his yearning for answers.

—CARY EGAN

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FOR THE RECORD

Masters of lyric sound

ELGAR: VIOLIN CONCERTO
Nigel Kennedy (violin),
London Philharmonic Orchestra,
conducted by Vernon Handley
(Capitol/Capitol)

At last the disc that Britain's renowned Gramophone magazine named 1980 Record of the Year was instead Canada. Although flawed, its interpretation of Elgar's *Violin Concerto* is still a glowing postwar achievement. Violinist Nigel Kennedy, 28, explores the music's shifting moods of wistfulness and fervor. His playing is forthright, unaffected—at times almost too robust—and has a generous lyric tone. Hesitating in the temptation to walk in emotionless, Kennedy is magically in tune with the music's spirit. By contrast, the London Philharmonic Orchestra is more exuberant and dramatic. Performances of Elgar are rarely become dry or bombastic, avoiding those pitfalls, this disc reveals the concerto for what it is: pure lyricism.

**MOZART SONATA
SCHUBERT FANTASIA**
Murray Perahia and Radu Lupu
(two pianos and piano duo)
(CMA Masterworks)

Increasing numbers of pianists are brushing the dust off their scores for two pianos and for duos at a single keyboard. Suddenly the two-player repertoire, with its clear textures and large-scale orchestral effects, is back in vogue. The scintillating French sisters Kozma and Marcella Labèque are one popular team. But another sound, equally impressive, comes from the recent pairing of two eminent soloists, Murray Perahia and Radu Lupu. Far less showy and more serene, the two give living accounts of masterpieces by Mozart and Schubert. They offer a delicately pointed, playful performance of Mozart's sparkling *Sonata for Two Pianos* and follow that with an intense, thoughtful interpretation of the stern relationship of Schubert's *Fantasies*. Together, Perahia and Lupu display the classic virtues of piano clarity and emotional restraint. Their label, one Masterworks, should encourage them to continue their partnership: there is a wide musical landscape for them to explore.

—JOHN PEARCE

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BRIEF ENCOUNTERS



McGillis, Oates, superconic phenom and archetypal barbie who did it all

SWEET LIBERTY Directed by Alan Alda

Sweet Liberty, Alan Alda's affectionate jab at modern movie-making, could have benefited from less sugar and more venom. Writer-director Alda stars as Michael Burgess, a professor in a small North Carolina college town. When film rights to his best-selling history of the American Revolution, *Sweet Liberty*, are bought by Hollywood and movie-makers descend on the town, it becomes clear that they have jettisoned all the book's seriousness. As the director, he (Hodges (Oat) Sullivan), tells Burgess, movies must do three things to appeal to young audiences: "Defy authority, destroy property—and take people's clothes off." By the time the project is completed Burgess' back has been turned inside out and his life ripped upside down.

For the most part, the movie is jolly and its cast often superb. Michael Caine gives a sly, seducing performance as Elliot James, an egomaniac but utterly charming leading man. Michelle Pfeiffer plays Ruth Healy, the leading lady whose affair with Burgess teaches him the difference between cinema and reality. Still, as Alda has written the role, Burgess suffers little emotional pain. And a subplot involving Burgess' tinkering with his girlfriend, Gretchen (Lisa Hilditch), about their relationship is especially irritating. The movie's highlight is 80-year-old Lillian Gish, who plays Burgess' crafty, ironic

mother. But her son seeks only to please—like the film itself. By trying too hard to ingratiate itself, *Sweet Liberty* becomes the kind of movie it sets out to satirize.

—LAWRENCE STODOL

TOP GUN Directed by Tony Scott

Patriotism, sex and superconic hardware are the three main attractions of *Top Gun*, a glamorous action romance with the seal of a heat-seeking missile. Directed by Tony Scott (*The Runner*) in a sleek, high-tech style, it is yet another movie to feel itself an American juggernaut.

Its fighter-pilot hero, aptly nicknamed Maverick (Tom Cruise), is the prototype laser daredevil who, according to his instructor, "lives by the seat of his pants." Along with his on-air sidekick, Goose (Anthony Edwards), he wins admission to the country's elite pilot school, where the students compete for the top gun trophy for best pilot.

Top Gun features appropriately technocratic characters with push-button costumes. There is a sally drill instructor, Viper (Tom Sizemore), who secretly admires Maverick's reckless instincts even as he berates him. Maverick's rival, Iceman (Val Kilmer), is the type who plays hard but sincerely by the books. And when an astrophysics instructor named Charlie (Kelly McGillis) arrives at the school, she falls in love with Maverick and he with her.

The film feeds on the half-decent fantasy of having it all. Maverick is a rebel yet enjoys the respect of his peers. He also has the luck to find a girlfriend who is beautiful, intelligent and drives a fast car. The movie hammers home the points about competitiveness with love exchanges and stunningly photographed aerial combat sequences. But whether dogfighting over supersonic jets or the barbed music of Cyndi Lauper Scott is, in the end, simply glossing the glibbling words of war.

—G.O.P.

SMOOTH TALK Directed by Joyce Chopin

Joyce Carol Oates's short story about a teenage girl's sexual awakening makes an awkward transition to film in *Smooth Talk*. The first part of the movie is a vivid and honest study of the relationship between Connie (Lacey Dene), a rebellious and strikingly blond 15-year-old, and her mother, Katherine (Mary Kay Place). Connie antagonizes her mother by hanging out in shopping malls with her girlfriends and avoiding work around the family's run-of-the-mill home. One (Elizabeth Bertrando), Connie's drab older sister, finds the dissension between mother and daughter, while her father (Kevin Kline) clings to his own private world. But the film runs ahead when it begins to focus on Connie's intense sexuality. While Oates's story deftly examines the girl's confused emotions, the movie portrays them heavy-handedly.

As Connie's sexuality develops, she begins teasing the boys at a sleazy hamburger stand, retracing each time one of them gets too close. Trouble arrives in the form of Arnold Prowd (David Williams), a stranger who stalks Connie as they drive out to her isolated home one Sunday when she is there alone. At that point *Smooth Talk* veers off sharply in tone, exploring the teenage girl's sexual fantasies. Arnold, a girl, meaning figure, intruder Connie into accepting a role which the audience is left to assume ends in rape. Oates's original story effectively uses symbolism to convey Connie's painful self-discovery. But on film the story loses all subtlety, particularly in the way it uses the family's home to represent her emotional disarray. Perhaps there's irony, complex performance, *Smooth Talk* suffers over its own modified message.

—L.O.T.



Foster (left) plays about ordinary people facing extraordinary circumstances

THEATRE

Lightening up the stage

On stage is a dimly lit Toronto theatre last week, three actors rehearsed a family squabble about money. They were playing the Brookmuds, winners of a lottery 16 years before, and the subject of *Windfall*, a new play by Norman Foster. Meanwhile, in the audience, Foster himself was cranking his lanky, six-foot, seven-inch body, as he consulted with Theatre Plus artistic director Malcolm Black about making minor cuts to the script. Foster's talent for shining a comic spotlight on ordinary people grappling with extraordinary circumstances is quickly making the 31-year-old former radio announcer into one of Canada's most successful playwrights. *Said* Bill Glassco, artistic director of another Toronto theatre, CentreStage: "Foster makes you want to get to know his characters without pandering to the audience."

The broad appeal of Foster's light touch surfaced in 1983 with his first professionally produced play, *Shenry's A broad sexual farce, it became one of the biggest hits ever for Brotherhood Theatre New Brunswick. Foster's next work, The Melville Dogs, a dark comedy about two brothers coming to terms with the terminal illness of one of them, has been playing to good reviews and even better box-office sales across Canada and will be mounted at CentreStage next February. Meanwhile, Theatre Plus has already commissioned a new Foster work for its next season—a play about marital breakup*

which Foster, a divorced father of two, says will be both tragic and comic. The self-proclaimed playwright added that he aims to "move the audience in the wrong direction and to give them a really good laugh in the funny ones." Based in Toronto, Foster originally planned to be a writer but drifted instead into radio announcing—ending up at Frederator's pop station CFB in 1979. A private taste for theatre led him to join a local amateur acting troupe two years later. A pair of plays he wrote for that group attracted the attention of Black, then artistic director of Theatre New Brunswick. After looking at a manuscript for *Shenry's*, Black mounted it, launching Foster's theatrical career. Last November Foster got his radio job to write full time, and in April he moved back to Toronto to be closer to the centre of Canadian theatre.

Some critics have complained that Foster emphasizes humor over substance. *Said* Black: "When Norm started he sometimes sacrificed plot and character for funny lines—but that does not happen any more." Although Foster says there is nothing wrong with light entertainment, his next project will be a serious drama partly based on his relationship with his father—"to see if I can pull it off," he said. *Said* Black, he added, "But I will probably have to stick in laughs here and there to break the tension."

—PETER GIFFIN in Toronto

Bawdy tales of betrayal

JACQUES AND HIS MASTER

By Miles Kundera
Directed by Richard Rose

The Czech expatriate writer Milan Kundera has made himself the darling of Western literary circles with such highly polished works of fiction as *The Unbearable Lightness of Being*. His particular mixture of wit, of chaos and of reflective melancholy also appears in his only play, *Jacques and His Master*, which last week opened its first Canadian run with a captivating performance by the acclaimed Necessary Angel Theatre company at Toronto's First Theatre. The drama, which borrows characters from Denis Diderot's 18th-century novel *Jacques et Maître*, does not always share Kundera at his best: it is a freewheeling, modernized piece of Restoration-style bedroom farce wagged down by some pretentious philosophizing. But fortunately Richard Rose's skilful direction emphasizes the play's bawdy and emotional aspects—creating a largely satisfying production.

Despite his debt to Diderot, Kundera has given his play a modern, absurdist flavor. On the stage, tilted forward at a disconcerting 15 degrees, stroll Jacques (Richard McMillan) and his down-at-the-heels Master (Clara Furey), two wanderers who entertain themselves by acting out their painful, unresolvable problems. Frequently interrupting each other—and even addressing the audience—the cast soon creates a Chinese puzzle of interlocking tales about sexual betrayal.

As Jacques, McMillan offers one of the most poignant moments of the season. During double-takes with the skull of a Boer Kestrel, he laydly plods after his hapless Master, effortlessly dominating the stage. Among the seven other performers, Denise Ferguson as the miskeeper ranges wildly between over-the-top humor and heartbreaking pathos. In a scene reminiscent of the recently deceased Marjorie de Arino, who resembles an absurdly posturing snapping turtle.

Such performances redeem a script that strays far too often into implausible reflections on man's superegoic condition before a seemingly indifferent Creator. Like the irreverent Jacques, Kundera and *His Master* work best when it takes itself with a grain of salt.

—JOHN EDMONDS

ART



Town: weaving color and imagery to fight against the Canadian sin of blandness

Visions from a veteran

In a 1982 exhibition at Toronto's Laing Gallery, made headlines when prospective buyers lined up and then actually argued over the right to buy works by a Canadian artist. The event was a landmark in the history of Canadian art. Suddenly, modern art was back in Toronto, which could finally boast a homegrown artist-scholarship to the hangover, closer Harold Town. As the leading spokesman for Toronto abstractists, Town did much to shake up the entrenched establishment of the 1960s. But the early 1980s marked the zenith of Town's popularity. He has remained popular and provocative but is increasingly out of step with prevailing taste. His most loyal supporters have continued to call for a Town retrospective. Their pleas have been answered by a massive exhibition of 230 prints, paintings, collages and drawings which opened last week at the Art Gallery of Ontario (AGO) and will travel to Kitchener and Windsor, in Ontario, and Halifax through March 1987.

Throughout his career, Town—above all known for his work—has been a successful agent for lower end—has sought against what he regards as the great Canadian sin of blandness. It is typical of the passion the 41-year-

old artist still inspires that freelance curator and exhibitor organizer David Barnett, former curator of contemporary Canadian art at the AGO, championed him with particular fervor. In his catalogue he challenges conventional critical wisdom that Town has produced nothing noteworthy for the past two decades. Barnett perceives the artist as a victim of Canada's perverse need to cut its losses down to size, and of the art establishment's kneejerk to New York standards of excellence. How disappointing then to enter the cavernous halls of the AGO and to discover in Town's latest work a profusion of gushy colors and grotesque forms serving no persuasive esthetic or thematic purpose.

The only sensible strategy for viewers is to live into the past, because in Town's 1950s work there is a real advance. He established his independence early on by concentrating on primitivism and collage at a time when his Toronto contemporaries were following the New York trend toward abstract expressionist painting. Town was a national recognition for his remarkable 1960s print—small swaths of jewel-like color and abstract organic shapes which evoke the mythic world of the unconscious. Town's large collages, which often

combine drawing, painting and print-making in addition to the application of paper and small objects, are often visually impressive. He is at his best in the delicate, almost Oriental mood of *Garden for Harouna Fountas*. In their brilliant weaving of bright color and ethereal imagery, his best paintings from the early 1960s—including *Winged Flight* (Museum), in which a winged shape hovers over a mysterious void—are usually satisfying.

But Town, searching for new worlds to conquer, never pursued one direction long enough. He tried out many styles, but mastered none. His numerous ventures have ranged from an eye-opening affair with pop art in the late 1960s to a recent, embarrassingly kitschy series of greeting cards entitled *Monochrome*. Although his later work is often awfully ugly, Town's technical facility and grace still informs such works as his whimsical drawings of movie stars.

The addition of Town's career, displayed in all its problems, seems at the AGO, a disturbing phenomenon. It is as if an exotic organism had grown monstrous over the years, degenerating itself as a series of bizarre mutations. Perhaps the lesson is not that Canada craves its losses but that it covets them too quickly. To demand, as the exhibition does, that the public follow joyfully down the dead-end paths he has taken, is asking too much.

—GREGG MACKAY

MACLEAN'S BEST-SELLER LIST

- Fiction**
- 1 *A Perfect Day*, by Carol (2)
 - 2 *The Boyer Supremacy*, Laith (2)
 - 3 *100 Years of Maclean's*, Rivers (2)
 - 4 *Life with a Lion*, Piller (1)
 - 5 *Power of the Blood*, Smith (1)
 - 6 *The Mammals*, Rivers, *And* (2)
 - 7 *Crysis*, Cander (2)
 - 8 *The Bookends*, *Time*, *Armed* (1)
 - 9 *What's Dead in the House*, Davies (2)
 - 10 *Gay Eagles*, *Chaplin* (2)

- Non-fiction**
- 1 *For the Life*, Diamond and Diamond (1)
 - 2 *100 Best Companies to Work for in Canada*, Jones, *Power & Love* (2)
 - 3 *One-eyed Lions*, Graham (1)
 - 4 *Up the Hill*, Johnson (2)
 - 5 *Callanetics*, *Pushing with Success* (2)
 - 6 *Balance*, *Success with Health* (2)
 - 7 *Going for It*, *How* (2)
 - 8 *How to Persuade*, *Psychology* (2)
 - 9 *Straight from the Heart*, *Christies* (2)
 - 10 *The Fall of the Roman Empire*, *Zeveloff* (1)

(1) Previews Not used

Only Sauv  knows for sure

By Stewart MacLeod

Has anyone out there ever wondered why, whenever a member of the Royal Family or one of its supposed secret carriers does anything reflecting favourably on the common folk, we're invariably told it was a personal initiative? But when the reflection is unfavourable, we are told the overweening Royal or swoon carrier thereof was never consulted.

Not dear? Okay, says the Queen, my spouse and I have talked with unemployed pencil salespersons; it's always because she personally "insisted" on having time for this marvellous session. If, on the other hand, her itinerant call for her to spend just a group of handshaped quills in spending evening cooped up with a battalion of overworked butchers, it's the sole responsibility of the bureaucrats.

She was not, as they say, consulted. Now, moving on, when former governor general Georges Vanier, perhaps the best-liked royal representative in our history, threw out the last padlocks from Rideau Hall to all Canadians could enjoy those 88 manicured acres, it was because he, personally, wanted to bring the monarchy closer to the people.

Then, a few years ago, when Edward Schreyer rattled nearby Rockcliffe by opening Government House doors to every movable body in Ottawa, it was attributed to his personal dedication to commemorating the Crown. The midnight waltz in special reserved hallways wasn't planned, low-cost bunnies, sheep-shearing outcasts or blasphemous festivals on the spread, there was nothing but unbridled appreciation for his efforts.

They might have teased or mocked him from time to time about Rev. Hilda Hillier Bessie, but Rideau Hall was, if nothing else, a people place.

No more. The padlocks are once again on the great iron gates. No more driving, jogging, walking, cycling or rolling around the grounds that the people of Canada bought in 1868 for \$10,000. And if you, the taxpayer, are visiting Ottawa and want to see what you got for your money, better hire a hellsinger. From now on, only pre-arranged tours—and no strangers, please—will be admitted.

Naturally, Gov. Gen. Jeanne Sauv 

had nothing to do with it. We were told, in fact, she would like nothing better than to maintain the grounds as a public park, but the National Capital Commission, the Public Works Department and the RCMP made the decision before she was even informed.

Whether we choose to accept this version is parallel to the point, but doubtless can always raise it as a credit against the next time Prince Philip says, "These marvellous matching maidens you have given us are just what the Queen and I have always wanted."

Meanwhile, this closure—believe it or not, an MCC official calls it "controlling access"—is, at the very least, not very nice. Here we have 88 acres of the most beautiful land in Ottawa, dotted with trees planted and played by leaders from all over the world, an arboretum, a pasture of pride, for countless thousands of Canadians who might be making a once-a-lifetime trip

The padlocks are on the great iron gates at Rideau Hall. Rumors abound that the GG does not like tour buses

to their capital city. And unless they are born free members of an organized group, such as the Willowdale Gardeners or the Great Lakes Organics Chanting Society, with pre-arrangement, they can't see Rideau Hall.

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Not everyone might think this padlocking is any big deal, but if no long-closing properties under questionable pretenses, where will it end? And it's doubtful whether many Canadians were impressed with the explanation that Canada could no longer afford to be the only Commonwealth country with as open gate policy at vice-regal houses.

Why not? The bourgeoisie blame-takers could just as easily have used Buckingham Palace as a relevant example. Unlike Rideau Hall, that royal pad has near-invisible fences and walls and yet, a few years ago, someone in need of psychiatric treatment managed to wander right in to the Queen's bedchamber and tell her a few sleep-talk stories.

Imagine, if you will, what some seasoned adventurer, this time play-

ing with a full deck, could do with those padding little fences around Rideau Hall if he or she considered entry a personal challenge. But there has never been a problem. The grounds have, heretofore, invited everyone through the gates.

And if Madame Sauv , a former Liberal politician, is considered an important enough target to deprive Canadians of 88 acres of their own historic and majestic parkland, we should not lose time in sending off Parliament Hill. Up there, we have 282 potential governors general planted on only 30 acres. Thank about that!

Does anyone out there realize that if we close Canada's highways for just one year, we can save 4,500 lives, getting 1,000 of them possible government personnel. And for you, sport fans, if we close Exhibition Stadium, the Toronto Blue Jays won't lose another home game this year.

By all means, let's protect the governor general—but we should assume that this could be achieved in a building that has 180 rooms, including a ballroom recently refurbished at a cost of \$250,000.

The Skyliner kids, we love to be told, used to dabble in a bit of roller-skating there.

And once secure dips are established within that name, the Mavericks can continue their dignified walk around the perimeter of the building, rather than crawling madly through the trees as the birds of rampaging rowboats.

Anyway, some Canadian traditions are surely worth just a dash of risk. And Madame Sauv , it should be mentioned, rather consciously raised her faltering health of 1984 in assuming this incredible job. She also deserves a carry for her royal no-nonsense when snatched at inconveniently by Prime Minister Mulroney early last year. This was when he did his head-of-state routine while meeting President Reagan at that sealer holocaust called the Shamrock Summit.

But having said that, Madame Sauv  should have used the same restraint when the idea struck—wherever anyone person it did strike—that Rideau Hall should except to pre-Massey days when a succession of British bad bloods lived there, in splendid isolation, rent-free.

Of course, if the poor woman wasn't told . . .

Alize Fotheringham is on leave.

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